

CITY OF SCOTT, LOUISIANA

Financial Report

Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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The Honorable Jan-Scott Richard, Mayor,
and Members of the Board of Aldermen
City of Scott, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Scott, Louisiana (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 26 to the financial statements, in 2022, the City adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed. We evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. We conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and the schedules of changes in net OPEB liability and related ratios, employer's share of net pension liability and employer pension contributions on pages 51 through 57 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 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying comparative statements, the Justice System Funding Schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on pages 61 through 62, 74 through 77, and 84 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these comparative statements, the Justice System Funding Schedule, and the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative information on the comparative statements has been derived from the City of Scott's 2021 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and, in our opinion were fairly presented in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the comparative detailed budget comparison schedules on pages 63 through 73 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, on our consideration of the City of Scott, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 15, 2022

BASIC FINANCIAL STATEMENTS

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

CITY OF SCOTT, LOUISIANA

Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 8,026,091	\$ 3,005,257	\$ 11,031,348
Investments	2,332,969	112,570	2,445,539
Receivables, net	653,273	503,652	1,156,925
Internal balances	(718,631)	718,631	-
Due from other governmental units	126,213	-	126,213
Prepaid items	84,749	15,109	99,858
Total current assets	<u>10,504,664</u>	<u>4,355,219</u>	<u>14,859,883</u>
Noncurrent assets:			
Restricted assets:			
Interest-bearing deposits	3,047,062	152,179	3,199,241
Investments	-	162,823	162,823
Capital assets:			
Land and construction in progress	11,026,099	1,265,504	12,291,603
Other capital assets, net	26,297,006	13,600,847	39,897,853
Total noncurrent assets	<u>40,370,167</u>	<u>15,181,353</u>	<u>55,551,520</u>
Total assets	<u>50,874,831</u>	<u>19,536,572</u>	<u>70,411,403</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	1,448,786	52,949	1,501,735
Deferred outflows of resources related to net OPEB obligation	726,879	71,263	798,142
Total deferred outflows of resources	<u>2,175,665</u>	<u>124,212</u>	<u>2,299,877</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	1,508,711	253,721	1,762,432
Unearned revenue	804,271	60,980	865,251
Customers' deposits payable	-	235,649	235,649
Bonds payable	960,000	35,000	995,000
Accrued interest payable	125,879	2,576	128,455
Notes payable - short term	489,903	-	489,903
Total current liabilities	<u>3,888,764</u>	<u>587,926</u>	<u>4,476,690</u>
Noncurrent liabilities:			
Compensated absences payable	52,516	216	52,732
Notes payable	1,512,795	-	1,512,795
Bonds payable	16,405,000	595,863	17,000,863
Net OPEB obligation payable	1,559,126	152,855	1,711,981
Net pension liability	3,110,905	163,934	3,274,839
Total noncurrent liabilities	<u>22,640,342</u>	<u>912,868</u>	<u>23,553,210</u>
Total liabilities	<u>26,529,106</u>	<u>1,500,794</u>	<u>28,029,900</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	1,549,285	51,066	1,600,351
Deferred inflows of resources related to net OPEB obligation	126,944	12,446	139,390
Total deferred inflows of resources	<u>1,676,229</u>	<u>63,512</u>	<u>1,739,741</u>
NET POSITION			
Net investment in capital assets	20,386,592	14,270,488	34,657,080
Restricted for sales tax dedications	6,625,303	-	6,625,303
Restricted for debt service	490,785	41,777	532,562
Unrestricted (deficit)	(2,657,519)	3,784,213	1,126,694
Total net position	<u>\$ 24,845,161</u>	<u>\$ 18,096,478</u>	<u>\$ 42,941,639</u>

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

CITY OF SCOTT, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2022

Activities	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position		
					Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,500,608	\$ 545,251	\$ -	\$ -	\$ (955,357)	\$ -	\$ (955,357)
Public safety:							
Police	3,531,849	384,058	414,557	-	(2,733,234)	-	(2,733,234)
Fire	912,279	-	87,132	-	(825,147)	-	(825,147)
Streets	3,264,558	-	1,042,872	-	(2,221,686)	-	(2,221,686)
Culture and tourism	231,511	37,396	-	37,611	(156,504)	-	(156,504)
Interest on long-term debt	563,414	-	-	-	(563,414)	-	(563,414)
Total governmental activities	<u>10,004,219</u>	<u>966,705</u>	<u>1,544,561</u>	<u>37,611</u>	<u>(7,455,342)</u>	<u>-</u>	<u>(7,455,342)</u>
Business-type activities:							
Gas	417,223	547,618	-	-	-	130,395	130,395
Water	1,638,432	1,601,029	-	-	-	(37,403)	(37,403)
Sewer	779,957	856,325	-	-	-	76,368	76,368
Garbage	993,668	1,014,755	-	-	-	21,087	21,087
Total business-type activities	<u>3,829,280</u>	<u>4,019,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,447</u>	<u>190,447</u>
Total	<u>\$ 13,833,499</u>	<u>\$ 4,986,432</u>	<u>\$ 1,544,561</u>	<u>\$ 37,611</u>	<u>(7,455,342)</u>	<u>190,447</u>	<u>(7,264,895)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					352,694	-	352,694
Sales and use taxes, levied for general purposes					7,704,642	-	7,704,642
Franchise taxes					622,142	-	622,142
Grants and contributions not restricted to specific programs -							
State sources					20,176	-	20,176
Non employer pension contribution					136,144	7,073	143,217
Interest and investment earnings					57,149	4,243	61,392
Miscellaneous					36,550	-	36,550
Transfers					(135,128)	135,128	-
Total general revenues and transfers					<u>8,794,369</u>	<u>146,444</u>	<u>8,940,813</u>
Change in net position					1,339,027	336,891	1,675,918
Net position - June 30, 2021					<u>23,506,134</u>	<u>17,759,587</u>	<u>41,265,721</u>
Net position - June 30, 2022					<u>\$ 24,845,161</u>	<u>\$ 18,096,478</u>	<u>\$ 42,941,639</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

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

Special Revenue Funds

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

1968 Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax. These taxes are dedicated and used for the purpose of construction, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, waterworks, drainage facilities, streets and sidewalks, including the purchase of equipment therefore, title to which improvements shall be in the public name, or for any one or more of said purposes. The tax is also subject to funding into bonds of the City in the manner authorized in the Louisiana Revised Statutes.

1984 Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax. These taxes are dedicated and used for the purpose of construction, acquiring, extending, improving, operating and/or maintaining public streets and bridges, sewers and sewerage disposal works, recreational facilities and drainage facilities; purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities; providing additional funds to maintain the City's auxiliary police force and volunteer fire department; maintaining the natural gas transmission and distribution system of the City; and funding into bonds for any of these purposes in accordance with the Louisiana Revised Statutes.

Apollo Economic Development District Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax levied on the businesses located in the Apollo Economic Development District, State of Louisiana (the "District"). These taxes are dedicated and used for the purpose of financing economic development projects in the District.

Capital Projects Funds

Street Construction Fund -

To account for improvements to the City's infrastructure using proceeds from various grants, bond proceeds and City funds.

Debt Service Fund

Sales Tax Bonds Fund -

To accumulate monies for payment of \$10,000,000 of Sales Tax Bonds, Series 2012. Debt service is financed from the collection of the City's 1984 1% sales tax and the Apollo Economic Development District sales tax.

Enterprise Fund

Utility Fund -

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

CITY OF SCOTT, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2022

	General	1968 Sales	1984 Sales	Apollo Economic	Street	Sales Tax	Total
		Sales Tax	Sales Tax	District			
ASSETS	Special Revenue	Special Revenue	Special Revenue	Special Revenue			
Cash	\$ 266,473	\$ 83,929	\$ 363,351	\$ 108,979	\$ -	\$ -	\$ 822,732
Interest-bearing deposits	1,428,802	2,415,072	1,935,241	1,424,244	2,601,760	445,302	10,250,421
Investments	532,881	1,681,206	118,882	-	-	-	2,332,969
Receivables:							
Taxes	2,510	277,671	277,671	95,053	-	-	652,905
Accrued interest	-	157	157	54	-	-	368
Due from other funds	821,423	-	774,098	2,245,884	1,355,715	383,219	5,580,339
Due from other governmental units	4,262	90,615	31,336	-	-	-	126,213
Prepaid items	84,749	-	-	-	-	-	84,749
Total assets	<u>\$ 3,141,100</u>	<u>\$ 4,548,650</u>	<u>\$ 3,500,736</u>	<u>\$ 3,874,214</u>	<u>\$ 3,957,475</u>	<u>\$ 828,521</u>	<u>\$ 19,850,696</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 152,370	\$ 182,598	\$ 28,449	\$ -	\$ 80,000	\$ -	\$ 443,417
Contracts payable	-	19,400	-	-	383,132	-	402,532
Retainage payable	-	78,040	-	-	366,089	-	444,129
Accrued liabilities	106,516	1,427	1,615	109,075	-	-	218,633
Due to other funds	656,342	1,540,928	2,327,442	375,429	1,186,972	211,857	6,298,970
Unearned revenue	170,378	633,894	-	-	-	-	804,272
Total liabilities	<u>1,085,606</u>	<u>2,456,287</u>	<u>2,357,506</u>	<u>484,504</u>	<u>2,016,193</u>	<u>211,857</u>	<u>8,611,953</u>
Fund balances -							
Nonspendable (prepaid items)	84,749	-	-	-	-	-	84,749
Restricted - sales tax dedications	-	2,092,363	1,143,230	3,389,710	-	-	6,625,303
Restricted - capital expenditures	-	-	-	-	1,941,282	-	1,941,282
Restricted - debt service	-	-	-	-	-	616,664	616,664
Unassigned	1,970,745	-	-	-	-	-	1,970,745
Total fund balances	<u>2,055,494</u>	<u>2,092,363</u>	<u>1,143,230</u>	<u>3,389,710</u>	<u>1,941,282</u>	<u>616,664</u>	<u>11,238,743</u>
Total liabilities and fund balances	<u>\$ 3,141,100</u>	<u>\$ 4,548,650</u>	<u>\$ 3,500,736</u>	<u>\$ 3,874,214</u>	<u>\$ 3,957,475</u>	<u>\$ 828,521</u>	<u>\$ 19,850,696</u>

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

CITY OF SCOTT, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022

Total fund balances for governmental funds at June 30, 2022		\$ 11,238,743
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, net		37,323,105
Deferred outflows of expenditures are not a use of current resources, and therefore, are not reported in the funds.		
Deferred outflows of resources - pension	1,448,786	
Deferred outflows of resources - OPEB	<u>726,879</u>	2,175,665
Long-term liabilities at June 30, 2022:		
Bonds payable	(17,365,000)	
Notes payable	(2,002,698)	
Accrued interest payable	(125,879)	
Compensated absences	(52,516)	
Net OPEB obligation	(1,559,125)	
Net pension liability	<u>(3,110,905)</u>	(24,216,123)
The deferred inflows of contributions are not available resources, and therefore, are not reported in the funds		
Deferred inflows of resources - pension	(1,549,285)	
Deferred inflows of resources - OPEB	<u>(126,944)</u>	<u>(1,676,229)</u>
Total net position of governmental activities at June 30, 2022		<u>\$ 24,845,161</u>

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

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2022

	General	1968 Sales Sales Tax Special Revenue	1984 Sales Sales Tax Special Revenue	Apollo Economic Development District Sales Tax Special Revenue	Street Construction	Sales Tax Bonds	Total
Revenues:							
Taxes	\$ 974,836	\$ 3,268,905	\$ 3,268,905	\$1,166,832	\$ -	\$ -	\$ 8,679,478
Licenses and permits	545,251	-	-	-	-	-	545,251
Intergovernmental	482,785	1,032,431	87,132	-	-	-	1,602,348
Fines and forfeits	384,058	-	-	-	-	-	384,058
Miscellaneous	71,007	10,899	18,669	4,503	24,145	1,872	131,095
Total revenues	<u>2,457,937</u>	<u>4,312,235</u>	<u>3,374,706</u>	<u>1,171,335</u>	<u>24,145</u>	<u>1,872</u>	<u>11,342,230</u>
Expenditures:							
Current -							
General government	1,324,924	42,271	42,271	6,655	-	-	1,416,121
Public safety:							
Police	3,289,391	-	-	-	-	-	3,289,391
Fire	-	-	810,740	-	-	-	810,740
Streets	1,060,755	1,108,016	145,671	-	-	-	2,314,442
Culture and tourism	184,148	-	-	-	-	-	184,148
Capital outlay	518,182	781,611	2,465,312	649,638	7,648,534	-	12,063,277
Debt service -							
Principal retirement	-	-	17,077	-	-	930,000	947,077
Interest, bond issuance, and agent fees	-	-	-	-	-	560,620	560,620
Total expenditures	<u>6,377,400</u>	<u>1,931,898</u>	<u>3,481,071</u>	<u>656,293</u>	<u>7,648,534</u>	<u>1,490,620</u>	<u>21,585,816</u>
Excess (deficiency) of revenues over expenditures	<u>(3,919,463)</u>	<u>2,380,337</u>	<u>(106,365)</u>	<u>515,042</u>	<u>(7,624,389)</u>	<u>(1,488,748)</u>	<u>(10,243,586)</u>
Other financing sources (uses):							
Proceeds from issuance of debt	-	-	2,019,775	-	-	-	2,019,775
Transfers in	3,432,585	500,000	-	100,000	-	1,539,385	5,571,970
Transfers out	-	(2,645,825)	(2,316,725)	(744,548)	-	-	(5,707,098)
Total other financing sources (uses)	<u>3,432,585</u>	<u>(2,145,825)</u>	<u>(296,950)</u>	<u>(644,548)</u>	<u>-</u>	<u>1,539,385</u>	<u>1,884,647</u>
Net changes in fund balances	(486,878)	234,512	(403,315)	(129,506)	(7,624,389)	50,637	(8,358,939)
Fund balances, beginning	<u>2,542,372</u>	<u>1,857,851</u>	<u>1,546,545</u>	<u>3,519,216</u>	<u>9,565,671</u>	<u>566,027</u>	<u>19,597,682</u>
Fund balances, ending	<u>\$ 2,055,494</u>	<u>\$ 2,092,363</u>	<u>\$ 1,143,230</u>	<u>\$3,389,710</u>	<u>\$ 1,941,282</u>	<u>\$ 616,664</u>	<u>\$ 11,238,743</u>

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

CITY OF SCOTT, 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 June 30, 2022

Total net changes in fund balances at June 30, 2022 per
statement of revenues, expenditures and changes in fund balances \$(8,358,939)

The change in net position reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 12,063,280	
Depreciation expense	<u>(1,350,782)</u>	10,712,498

Bonds and notes payable proceeds are reported as financing sources
in the governmental funds and thus contribute to the change in
fund balance. In the statement of net position, issuing debt increases
long-term liabilities and does not affect the statement of activities.
Similarly, repayment of principal is recorded as an expenditure in the
statement of revenues, expenditures, and changes in fund balances
whereas the payment reduces the balance of bonds payable
in the statement of net position.

Proceeds on issuance of long-term debt	(2,019,775)	
Principal payments	<u>947,077</u>	(1,072,698)

Because some revenues are not considered measurable at year-end,
they are not considered "available" revenues in the governmental funds.

Non-employer pension contributions		136,144
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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 the governmental funds.

Interest expense	(2,794)	
Compensated absences	1,105	
OPEB expense	(112,892)	
Pension expense	<u>36,603</u>	<u>(77,978)</u>

Total changes in net position for the year ended June 30, 2022 per statement of activities		<u>\$ 1,339,027</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Statement of Net Position
 Proprietary Fund
 June 30, 2022

	<u>Utility Fund</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 3,005,257
Investments	112,570
Receivables -	
Accounts, net	377,673
Unbilled utility receivables	125,979
Due from other funds	1,920,714
Prepaid items	15,109
Total current assets	<u>5,557,302</u>
Noncurrent assets:	
Restricted assets -	
Interest-bearing deposits	152,179
Investments	162,823
Capital assets -	
Land and construction in progress	1,265,504
Other capital assets, net of accumulated depreciation	<u>13,600,847</u>
Total noncurrent assets	<u>15,181,353</u>
Total assets	<u>20,738,655</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	52,949
Deferred outflows of resources related to net OPEB obligation	71,263
Total deferred outflows of resources	<u>124,212</u>
LIABILITIES	
Current liabilities:	
Accounts payable	242,415
Accrued liabilities	11,306
Unearned revenue	60,980
Due to other funds	1,202,083
Payable from restricted assets -	
Customers' deposits payable	235,649
Water revenue bonds payable	35,000
Accrued interest payable	2,576
Total current liabilities	<u>1,790,009</u>
Noncurrent liabilities:	
Compensated absences payable	216
Water revenue bonds payable	595,863
Net OPEB obligation payable	152,855
Net pension liability	163,934
Total noncurrent liabilities	<u>912,868</u>
Total liabilities	<u>2,702,877</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	51,066
Deferred inflows of resources related to net OPEB obligation	12,446
Total deferred inflows of resources	<u>63,512</u>
NET POSITION	
Net investment in capital assets	14,270,488
Restricted for debt service	41,777
Unrestricted	3,784,213
Total net position	<u>\$ 18,096,478</u>

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

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenses, and Change in Fund Net Position -
 Proprietary Fund
 For the Year Ended June 30, 2022

	<u>Utility Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 501,784
Water service charges	1,410,417
Sewer service charges	719,005
Garbage service charges	1,004,755
Penalties, permits and connection fees	<u>383,766</u>
Total operating revenues	<u>4,019,727</u>
Operating expenses:	
Salaries	245,538
Retirement benefit	(11,705)
OPEB benefit	(3,612)
Disposal charges	2,947
Gas and water purchases	1,195,689
Garbage collection fees	993,668
Supplies and repairs	441,603
Utilities and telephone	87,396
Professional fees	41,099
General insurance	62,141
Group health insurance	73,431
Office expense	27,192
Payroll taxes	18,417
Truck expenses	15,792
Training	11,942
Uniforms	3,232
Depreciation expense	<u>608,776</u>
Total operating expenses	<u>3,813,546</u>
Operating income	<u>206,181</u>

(continued)

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2022

	<u>Utility Fund</u>
Nonoperating revenues (expenses):	
Nonemployer pension contribution	7,073
Interest income	4,243
Interest expense	<u>(15,734)</u>
Total nonoperating revenues (expenses)	<u>(4,418)</u>
Income before transfers	<u>201,763</u>
Transfers:	
Transfers in	2,385,417
Transfers out	<u>(2,250,289)</u>
Total transfers	<u>135,128</u>
Change in net position	336,891
Net position, beginning	<u>17,759,587</u>
Net position, ending	<u>\$ 18,096,478</u>

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

CITY OF SCOTT, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2022

	<u>Utility Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$3,958,502
Payments to suppliers	(2,886,043)
Payments to employees	<u>(369,589)</u>
Net cash provided by operating activities	<u>702,870</u>
Cash flows from noncapital financing activities:	
Cash received from other funds	41,728
Net change in meter deposits	21,210
Transfers from other funds	2,385,417
Transfers to other funds	<u>(2,250,289)</u>
Net cash provided by noncapital financing activities	<u>198,066</u>
Cash flows from capital and related financing activities:	
Payment on water revenue bonds	(34,000)
Interest on water revenue bonds	(15,873)
Acquisition of property, plant and equipment	<u>(1,046,537)</u>
Net cash used by capital and related financing activities	<u>(1,096,410)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	2,082,657
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(2,090,140)
Interest on investments	<u>7,790</u>
Net cash provided by investing activities	<u>307</u>
 Net decrease in cash and cash equivalents	 (195,167)
 Cash and cash equivalents, beginning of period	 <u>1,537,856</u>
 Cash and cash equivalents, end of period	 <u>\$1,342,689</u>

(continued)

CITY OF SCOTT, LOUISIANA

Statement of Cash Flows
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2022

	<u>Utility Fund</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 206,181
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	608,776
Pension and OPEB benefit	(51,132)
Changes in current assets and liabilities:	
Increase in accounts receivable	(77,258)
Increase in unbilled utility receivables	(3,852)
Decrease in prepaid items	3,093
Increase in accounts payable	115,687
Decrease in accrued liabilities	(78,534)
Decrease in unearned revenue	(19,885)
Decrease in compensated absences payable	(206)
Net cash provided by operating activities	<u>\$ 702,870</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Interest-bearing deposits - unrestricted	3,226,598
Interest-bearing deposits - restricted	119,158
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,807,900)</u>
Total cash and cash equivalents, beginning of period	<u>1,537,856</u>
Cash and cash equivalents, end of period -	
Interest-bearing deposits - unrestricted	3,005,257
Interest-bearing deposits - restricted	152,179
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,814,747)</u>
Total cash and cash equivalents, end of period	<u>1,342,689</u>
Net increase in cash and cash equivalents	<u>\$ (195,167)</u>

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Scott (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. 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 Scott was incorporated under the provisions of the Lawrason Act. The City operates under the Mayor-Board of Aldermen form of government.

This report includes all funds that are controlled by or dependent on the City executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the City was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, a certain governmental organization is not part of the City and is thus excluded from the accompanying financial statements. This organization is the City of Scott Volunteer Fire Department. Although the City does provide facilities and some of its financing, no control is exercised over its operations.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

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

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 and deferred outflows, liabilities and deferred inflows, 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 and deferred outflows, liabilities and deferred inflows, 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.

Special Revenue Funds -

1968 Sales Tax Fund -

The 1968 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

1984 Sales Tax Fund -

The 1984 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

Apollo Economic Development District Sales Tax Fund -

The Apollo Economic Development District Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax levied on the businesses located in the Apollo Road Economic Development District and is legally restricted to expenditures for economic development projects in the District.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Projects Funds –

Street Construction Fund –

The Street Construction Fund is used to account for improvements to the City's infrastructure using proceeds from various grants, bond proceeds and City funds.

Debt Service Fund –

Sales Tax Bonds Fund –

The Sales Tax Bonds Fund is used to accumulate monies for payment of \$10,000,000 of Sales Tax Bonds, Series 2012, \$10,000,000 of Sales Tax Bonds, Series 2020 and \$2,000,000 of Taxable Sales Tax Bonds, Series 2020A. Debt service is financed from the collection of the City's 1968 and 1984 1% sales taxes and the Apollo Economic Development District sales tax.

Proprietary Fund -

Enterprise 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 Scott's enterprise fund is the Utility Fund.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

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

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. “Measurable” means the amount of the transactions can be determined and “available” means the amount is collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables are considered available and recognized as revenue of the current year if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Program revenues

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

Allocation of indirect expenses

The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash, interest-bearing deposits, and investments

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. Under state law, the City may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

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.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$17,981 at June 30, 2022. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

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 or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 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. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

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

Buildings and improvements	5 - 40 years
Equipment	5 years
Utility system and improvements	20 - 40 years
Infrastructure	20 years

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the governmental and proprietary fund that are legally restricted as to their use. The restricted assets are related to bond proceeds for capital expenditures, sales tax bond debt service accounts, and utility meter deposits.

Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

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

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. All full-time employees are allowed 48 hours of annual sick leave. All unused sick leave may be carried over, with 30 percent of the accumulated balance payable at termination of employment. At June 30, 2022, the City has \$52,732 of noncurrent accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences".

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.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the City’s debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. At June 30, 2022, the City reported \$7,157,865 of restricted net position, \$6,625,303 of which was restricted by enabling legislation.
- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the two components and is available for general use by the City.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts 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.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the City’s Mayor and Board of Aldermen, which 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 the Board of Alderman.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the City’s Mayor and Board of Aldermen.
- e. Unassigned – all other spendable amounts.

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

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

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, expenditures are classified as follows:

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

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

Interfund Transfers

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

F. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 3

The City uses unrestricted resources only when restricted resources are fully depleted.

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 assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2022, taxes were levied by the City in July 2021 and were billed to taxpayers by the Assessor in November 2021. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. City property tax revenues are budgeted in the year billed.

For the year ended June 30, 2022, taxes of 4.47 mills were levied on property with assessed valuations totaling \$78,902,511 and were dedicated to general corporate purposes. Total taxes levied were \$352,694. Taxes receivable at June 30, 2022 was \$2,510, which was current.

(3) Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the City of Scott beginning June 22, 1968 (2022 collections \$3,268,905) are dedicated to the following purposes:

Construction, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, waterworks, drainage facilities, streets and sidewalks, including the purchase of equipment therefore, title to which improvements shall be in the public name, or for any one or more of said purposes. The tax is also subject to funding into bonds of the City in the manner authorized in the Louisiana Revised Statutes.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proceeds of a 1% sales and use tax levied by the City of Scott beginning April 1, 1984 (2022 collections \$3,268,905) are dedicated to the following purposes:

Constructing, acquiring, extending, improving, operating and/or maintaining public streets and bridges, sewers and sewerage disposal works, recreational facilities and drainage facilities; purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities; providing additional funds to maintain the City's auxiliary police force and volunteer fire department; maintaining the natural gas transmission and distribution system of the City; and funding into bonds for any of these purposes in accordance with the Louisiana Revised Statutes.

Proceeds of a 1% sales and use tax levied by the City of Scott beginning December 1, 2007 on businesses located in the Apollo Road Economic Development District (2022 collections \$1,166,832) are dedicated for financing economic development projects in the District.

(4) Cash, Interest-Bearing Deposits and Investments

A. 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 June 30, 2022, the City had cash and interest-bearing deposits (book balances) totaling \$16,563,558 as follows:

Demand deposits	\$ 2,753,169
Money market accounts	6,722,008
Time deposits	<u>7,088,381</u>
Total	<u>\$16,563,558</u>

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 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. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the City or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2022, are secured as follows:

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Bank balances	<u>\$ 15,275,397</u>
Federal deposit insurance	\$ 750,000
Pledged securities	<u>14,525,397</u>
Total	<u>\$ 15,275,397</u>

Deposits in the amount of \$14,525,397 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. The City does not have a policy for custodial credit risk.

B. Investments

The City participates in the Louisiana Asset Management Pool (LAMP), a local government investment pool. As of June 30, 2022, investments in LAMP amounted to \$2,608,362.

LAMP is administered by LAMP, Inc. a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools.

- a. Credit risk: LAMP is rated AAAM by Standard & Poors.
- b. Custodial credit risk: In accordance with GASB Codification Section 150.128, the investment in LAMP is not exposed to custodial credit risk because LAMP participants' investments in the pool are evidenced by shares of the pool and, therefore, not evidenced by securities that exist in physical or book entry form. The City's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- c. Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- d. Inherent rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 56 days as of June 30, 2022.
- e. Foreign currency risk: Not applicable to 2a7-like securities.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. The financial report for LAMP may be accessed on its website (www.lamppool.com).

(5) Receivables

Receivables at June 30, 2022 of \$1,160,472 consist of the following:

	General	1968 Sales Tax	1984 Sales Tax	Apollo EDD Sales Tax	Utility	Total
Accounts, net	\$ -	\$ -	\$ -	\$ -	\$ 377,673	\$ 377,673
Unbilled utility	-	-	-	-	125,979	125,979
Taxes:						
Ad valorem	2,510	-	-	-	-	2,510
Sales tax	-	277,671	277,671	95,053	-	650,395
Interest	-	157	157	54	-	368
Totals	<u>\$ 2,510</u>	<u>\$ 277,828</u>	<u>\$ 277,828</u>	<u>\$ 95,107</u>	<u>\$ 503,652</u>	<u>\$ 1,156,925</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2022 consisted of the following:

Governmental Funds:

State of Louisiana:

Federal grant funds	\$ 91,542
Other	3,335

Scott Volunteer Fire Department:

Reimbursement of salaries and benefits incurred for fire protection services.	<u>31,336</u>
	<u>\$ 126,213</u>

(7) Restricted Assets

Restricted assets in the governmental funds at June 30, 2022 consisted of bond proceeds restricted for capital expenditures in the amount of \$2,601,760 and \$445,302 restricted for debt service payments. Restricted assets in the proprietary fund at June 30, 2022 consisted of water revenue bond debt service, reserve, and depreciation and contingencies funds of \$79,353 and amounts owed to customers for utility deposits in the amount of \$235,649.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance 06/30/21	Additions	Deletions	Balance 06/30/22
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,532,674	\$ 171,000	\$ -	\$ 1,703,674
Construction in progress	1,049,405	8,975,335	702,315	9,322,425
Other capital assets:				
Buildings and improvements	6,780,456	1,130,875	-	7,911,331
Infrastructure	32,237,182	807,116	-	33,044,298
Equipment, furniture and fixtures	3,792,639	1,681,269	228,589	5,245,319
Totals	<u>45,392,356</u>	<u>12,765,595</u>	<u>930,904</u>	<u>57,227,047</u>
Less accumulated depreciation				
Buildings and improvements	2,314,174	191,866	-	2,506,040
Infrastructure	13,690,627	740,213	-	14,430,840
Equipment, furniture and fixtures	2,776,948	418,703	228,589	2,967,062
Total accumulated depreciation	<u>18,781,749</u>	<u>1,350,782</u>	<u>228,589</u>	<u>19,903,942</u>
Governmental activities, capital assets, net	<u>\$ 26,610,607</u>	<u>\$ 11,414,813</u>	<u>\$ 702,315</u>	<u>\$ 37,323,105</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 50,420	\$ -	\$ -	\$ 50,420
Construction in progress - water and sewer systems projects	592,971	746,282	124,169	1,215,084
Other capital assets:				
Gas system	1,070,698	-	-	1,070,698
Water system	8,283,342	-	-	8,283,342
Sewer system	13,563,812	124,169	-	13,687,981
Machinery and equipment	755,444	300,255	-	1,055,699
Totals	<u>24,316,687</u>	<u>1,170,706</u>	<u>124,169</u>	<u>25,363,224</u>
Less accumulated depreciation				
Gas system	956,989	19,739	-	976,728
Water system	3,216,688	231,449	-	3,448,137
Sewer system	5,238,363	302,185	-	5,540,548
Machinery and equipment	476,057	55,403	-	531,460
Total accumulated depreciation	<u>9,888,097</u>	<u>608,776</u>	<u>-</u>	<u>10,496,873</u>
Business-type activities, capital assets, net	<u>\$ 14,428,590</u>	<u>\$ 561,930</u>	<u>\$ 124,169</u>	<u>\$ 14,866,351</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 68,463
Police	229,133
Fire	86,332
Streets	919,491
Culture and recreation	<u>47,363</u>
Total depreciation expense	<u>\$ 1,350,782</u>

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

Gas	\$ 19,739
Water	231,449
Sewer	<u>357,588</u>
Total depreciation expense	<u>\$ 608,776</u>

(9) Accounts and Other Payables

The accounts and other payables of \$1,762,432 consisted of the following at June 30, 2022:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 443,417	\$ 242,415	\$ 685,832
Contracts	402,532	-	402,532
Retainage	444,129	-	444,129
Accrued liabilities	<u>218,633</u>	<u>11,306</u>	<u>229,939</u>
Totals	<u>\$ 1,508,711</u>	<u>\$ 253,721</u>	<u>\$ 1,762,432</u>

(10) Unearned Revenue

Unearned revenue at June 30, 2022 consists of the following:

Governmental activities:

Governmental funds -

Amount received from Entergy, for weatherization of citizens' homes, which has not yet been spent as of June 30, 2022	\$ 2,839
Amount received from unsettled police narcotics cases as of June 30, 2022	127,688
Amount received for future dedications for veteran's memorial	39,850
Unspent grant proceeds received through the American Rescue Plan Act	<u>633,894</u>
Total governmental activities	804,271

Business-type activities: Utility Fund -

Amount billed in June 2022 for garbage service revenues for July 2022	<u>60,980</u>
Total unearned revenue	<u>\$ 865,251</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Unearned revenue of \$633,894 at June 30, 2022 consists of federal awards received under the American Rescue Plan Act (ARPA). The ARPA established the Coronavirus State and Local Fiscal Recovery Funds on March 11, 2022, to provide governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery. The City is required to spend these funds in accordance with the assistance listing 21.027 guidance. These funds must be obligated by December 31, 2024 and expended by December 31, 2026. The City expects to receive a second tranche payment in the amount of \$1,604,235.

As of June 30, 2022, the city has expended \$970,341 of the \$1,604,235 received from the ARPA.

(11) Changes in Long-Term Liabilities

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2022:

	<u>Long-Term Debt</u>			<u>Other Liabilities</u>
	<u>General Obligation Bonds</u>	<u>Water Revenue Bonds</u>	<u>Notes Payable</u>	<u>Compensated Absences</u>
Long-term debt as of July 1, 2021	\$18,295,000	\$ 664,863	\$ -	\$ 54,043
Additions	-	-	2,019,775	936
Retirements	(930,000)	(34,000)	(17,077)	(2,247)
Long-term debt as of June 30, 2022	<u>\$17,365,000</u>	<u>\$ 630,863</u>	<u>\$2,002,698</u>	<u>\$ 52,732</u>

Long-term debt payable at June 30, 2022 is comprised of the following:

Governmental activities:

	<u>Current</u>
Direct borrowing general obligation bonds -	
\$10,000,000 Public Improvement Sales Tax Bonds, Series 2012, due in annual installments of \$365,000 to \$665,000 through December 1, 2032; interest at 2.5 to 4.0 percent; payable from Apollo Economic Development District sales tax revenues	\$ 485,000
\$10,000,000 Public Improvement Sales Tax Bonds, Series 2020, due in annual installments of \$375,000 to \$650,000 through December 1, 2032; interest at 2.77 percent; payable from 1968 sales tax revenues	395,000
\$2,000,000 Public Improvement Sales Tax Bonds, Series 2020A, due in annual installments of \$75,000 to \$130,000 through December 1, 2032; interest at 2.5 to 4.0 percent; payable from 1968 sales tax revenues	80,000
	<u>\$960,000</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Notes payable-	Current
\$227,887 Note payable to Scott Financial Services, for the lease-purchase of a street sweeper, due in monthly installments of \$4,255 through 2/1/27, bearing interest at 4.5%, payable from any non-restricted revenues of the City.	\$ 210,800 \$ 38,710
\$778,898 Note payable to Republic First National for the purchase of a Ferrara Aerial firetruck, due in annual installments of \$188,193 to \$201,355 through 8/1/25, bearing interest at 2.279%, payable from any non-restricted revenues of the City.	778,898 188,193
Note payable of \$1,013,000 for the purchase of a public safety building, due in annual installments of \$250,000 to \$263,000 through 8/22/25, bearing no interest, payable from any non-restricted revenues of the City.	1,013,000 263,000
	\$ 2,002,698 \$ 489,903

Business-type activities:

Direct borrowing water revenue bonds -

\$782,863 Taxable Water Revenue Bonds, Series 2016, due in annual installments of \$20,000 to \$49,863 through November 1, 2036; interest at 1.95 percent; payable from water utility revenues	\$ 630,863 \$ 35,000
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The debt is due as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2023	1,449,903	555,674	35,000	15,027
2024	1,471,591	521,765	36,000	14,157
2025	1,513,050	485,780	37,000	13,263
2026	1,544,689	447,916	38,000	12,345
2027	1,118,465	406,779	39,000	11,402
2028 - 2032	5,945,000	1,492,648	210,000	42,001
2033 - 2037	4,045,000	640,183	235,863	14,735
2038 - 2041	2,280,000	132,624	-	-
Total	\$ 19,367,698	\$ 4,683,369	\$ 630,863	\$ 122,930

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Flow of Funds; Restrictions on Use - Sales Tax and Utility Revenues

Sales Tax Revenues:

Apollo Economic Development District Sales Tax Revenues

Under the terms of the bond indenture on outstanding Public Improvement Sales Tax Bonds, Series 2012, as long as any bonds are outstanding, the City is required to budget annually to maintain sufficient excess annual revenues available for repayment of debt service on bonds. Payment of annual debt service on the bonds shall be a priority and the City must ensure that sufficient excess annual revenues remain available to pay such debt service as and when due. As a result, the City is required to maintain a separate account within the debt service fund that is designated as the "Series 2012 Sinking Fund Account". Each month, there will be set aside into the fund an amount constituting 1/12th of the next maturing installment of principal and 1/6th of the interest due on the next interest payment date. Such transfers shall be fully sufficient to assure the prompt payment of the principal and interest installments as they become due and may be used only for such payments.

Pursuant to the general bond ordinance, the City covenants to fix, establish, maintain, and collect revenues so long as any principal and interest is unpaid on the bonds, and to provide excess annual revenues in each fiscal year in an amount equal to at least 130% of the highest annual principal and interest requirements on the bonds issued.

1968 Sales Tax Revenues

Under the terms of the bond indenture on outstanding Public Improvement Sales Tax Bonds, Series 2020 and Series 2020A, the City must ensure that the 1968 Sales Tax Fund has sufficient excess annual revenues available to pay such debt service as and when due. As a result, the City is required to maintain a separate account within the debt service fund that is designated as the "Sales Tax Bond Sinking Fund 2020". Each month, there will be set aside into the fund an amount constituting 1/12th of the next maturing installment of principal and 1/6th of the interest due on the next interest payment date. Such transfers shall be fully sufficient to assure the prompt payment of the principal and interest installments as they become due and may be used only for such payments.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Pursuant to the Bond Ordinance, the City's average annual net revenues of the 1968 sales tax for the two preceding fiscal years must be 1.5 times the highest combined principal and interest requirements for any succeeding fiscal year on all bonds outstanding.

Utility Revenues:

Water Utility Revenues

Under the terms of the general bond ordinance on outstanding Taxable Water Revenue Bonds, Series 2016, as long as any bonds are outstanding, the City is required to budget annually to maintain sufficient excess annual revenues available for repayment of debt service on bonds. Payment of annual debt service on the bonds shall be a priority and the City must ensure that sufficient excess annual revenues remain available to pay such debt service as and when due. As a result, the City is required to maintain a separate account within the Utility Fund that is designated as the "Water Revenue Bond Debt Service Fund". Each month, there will be set aside into the fund an amount constituting 1/12th of the next maturing installment of principal and 1/6th of the interest (and any administrative fee) due on the next interest payment date. Such transfers shall be fully sufficient to assure the prompt payment of the principal and interest installments as they become due and may be used only for such payments. The City is also required to maintain a "Water Revenue Bond Debt Service Reserve Fund" and a "Depreciation and Contingencies Fund" for additional transfers to be made solely for the purpose of paying the principal, interest, and administrative fees on the outstanding bonds payable and to fund extensions, additions, improvements, renewals and replacements necessary to operate the system. The deposits into the Contingencies Fund may cease once the sum of \$50,000 has been accumulated.

Pursuant to the general bond ordinance, the City covenants to fix, establish, maintain and collect revenues so long as any principal and interest is unpaid on the bonds, and to provide excess annual revenues in each fiscal year in an amount equal to at least 1.20 times the highest combined annual principal and interest requirements on the bonds issued.

The City of Scott was in compliance with all significant limitations and restrictions in the various bond indentures and ordinances as of June 30, 2022.

(13) Post Employment Health Care and Life Insurance Benefits

Plan description – The City of Scott (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. The employees are covered by several retirement systems with similar eligibility provisions. Based on historical experience as described by administrative staff, most employees enter a three year D.R.O.P. at age 60.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Employees covered by benefit terms – At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>56</u>
Total	<u>68</u>

Total OPEB Liability

The City’s total OPEB liability of \$1,711,981 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2022 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	4.0%, including inflation
Discount rate	2.16% annually beginning of the year, 3.54% annually end of year
Healthcare cost trend rates	5.5% annually for ten years, 4.5% thereafter, 3% in Medicare

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2022, the end of the applicable measurement period.

Mortality rates were based on the SOA RP-2014 Table.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2022.

Changes in the Total OPEB Liability

OPEB liability at June 30, 2021	\$1,430,557
Changes for the year:	
Service Cost	35,796
Interest	31,287
Differences between expected and actual experience	370,243
Changes of assumptions	(116,527)
Benefit payments and net transfers	<u>(39,375)</u>
Net changes	<u>281,424</u>
OPEB liability at June 30, 2022	<u>\$1,711,981</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	<u>\$1,976,296</u>	<u>\$ 1,711,981</u>	<u>\$ 1,497,815</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1% Decrease (4.5%)	Current Trend (5.5%)	1% Increase (6.5%)
Total OPEB liability	<u>\$1,494,642</u>	<u>\$ 1,711,981</u>	<u>\$ 1,978,493</u>

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$148,655. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 598,680	\$ 34,515
Changes in assumptions	<u>199,462</u>	<u>104,875</u>
Total	<u>\$ 798,142</u>	<u>\$ 139,390</u>

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	
<u>June 30</u>	
2023	\$ 81,573
2024	81,573
2025	81,573
2026	81,573
2027	55,671
Thereafter	<u>276,789</u>
Total	<u>\$ 658,752</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) Pension Plans

The City participates in three cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all City employees participate in one of the following retirement systems:

Plan Descriptions:

Municipal Employees' Retirement Systems (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1731 and 11:1781. The Government participates in Plan B.

State of Louisiana - Municipal Police Employees' Retirement System (MPERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2211 and 11:2220.

State of Louisiana – Firefighters' Retirement System (FRS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2251-2254 and 11:2256.

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned.

A brief summary of eligibility and benefits of the plans are provided in the following table:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>
Final average salary	Highest 60 months	Highest 36 months or 60 months ²	Highest 60 months
Years of service required and/or age eligible for benefits	30 years of any age 10 years age 60	25 years of any age 20 years age 55 12 years age 55 20 years any age ¹ 30 years any age ³ 25 years age 55 ³ 10 years age 60 ³	30 years of any age 10 years age 60
Benefit percent per years of service	3.00%	2.50 - 3.33% ⁴	3.0 % - 3.33%

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

³ Under non hazardous duty sub plan commencing January 1, 2013

⁴ Membership commencing January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, membership prior to January 1, 2013 3.33%.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee.

Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2022 for the defined benefit pension plans in which the City is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Nonemployer Contributing Entities</u>	<u>Government Contributions</u>
MERS	5.00%	15.50%	\$ 32,148	\$ 153,221
MPERS	10.00%	33.75%	100,617	463,591
FRS	10.00%	32.25%	10,452	31,610

Net Pension Liability

The City's net pension liability at June 30, 2022 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2021 for all plans) 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 proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the City's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 745,153	1.286280%	0.070705%
MPERS	2,400,031	0.450241%	0.019560%
FRS	129,655	0.036586%	0.019901%
Total	<u>\$3,274,839</u>		

Since the measurement date of the net pension liability was June 30, 2021, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for those fiscal years.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

The financial report for each plan may be accessed on their website as follows:

MERS	- http://www.mersla.com/
MPERS	- http://lampers.org/
FRS	- http://ffret.com/

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the City is a participating employer:

	MERS	MPERS	FRS
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019	7/1/2014 - 6/30/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment rate of return	6.85, net of investment expense	6.75%, net of investment expense	6.90%, net of investment expense
Expected remaining service	3	4	7
Inflation rate	2.5%	2.5%	2.5%
Projected salary increases	4.9% - 7.4%	4.7% - 12.3%	5.20% - 14.10%
Projected benefit changes including COLAs	None	None	None
Source of mortality	(1), (2), (3)	(4), (5), (6)	(4), (5), (6)

- (1) PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using MP2018 scales
- (2) PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using MP2018 scales
- (3) PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with full generational MP2018 scale
- (4) Pub-2010 Safety Below-Median Healthy Retiree Table multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale.
- (5) Pub-2010 Safety Below-Median Employee Table multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale.
- (6) Pub-2010 Safety Disable Retiree Table multiplied by 105% for males and 115% for females, each with full generational projection using the MP 2019 scale.

Cost of Living Adjustments

The pension plans in which the City participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (MERS, MPERS, and FRS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS was 6.85%, a decrease of 0.10% from the prior valuation. The discount rate used to measure the total pension liability for MPERS was 6.75%, a decrease of .20% from the prior valuation. The discount rate used to measure the total pension liability for FRS was 6.90% a decrease of .10% from the prior year.

Long-term Rate of Return

For MERS, MPERS and FRS, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following tables:

Asset Class	MERS		MPERS		FRS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	38%	1.65%	30.5%	0.59%	26%	1.37%
Public Equity	53%	2.31%	55.5%	3.47%	56%	6.84%
Alternative	9%	0.39%	14.0%	1.01%	18%	0.61%
Real Estate	-	-	-	-	0%	4.17%
Totals	<u>100%</u>	<u>4.35%</u>	<u>100%</u>	<u>5.07%</u>	<u>100%</u>	<u>12.99%</u>
Inflation		<u>2.60%</u>		<u>2.22%</u>		<u>2.00%</u>
Expected nominal return		<u>6.95%</u>		<u>7.29%</u>		<u>14.99%</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2022, the City recognized \$125,364, \$393,466 and \$45,250 in pension expense related to the MERS, MPERS and FRS defined benefit plans, respectively.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			
	MERS	MPERS	FRS	Total
Difference between expected and actual experience	\$ -	\$ -	\$ 1,850	\$ 1,850
Changes of assumptions	30,155	265,791	28,095	324,041
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	47,728	310,351	169,562	527,641
Contributions subsequent to the measurement date	<u>166,000</u>	<u>443,306</u>	<u>38,897</u>	<u>648,203</u>
Total	<u>\$243,883</u>	<u>\$1,019,448</u>	<u>\$238,404</u>	<u>\$1,501,735</u>

	Deferred Inflows of Resources			
	MERS	MPERS	FRS	Total
Difference between expected and actual experience	\$ 30,750	\$ 73,914	\$ 11,643	\$ 116,307
Change in assumptions	-	68,463	-	68,463
Net difference between projected and actual investment earnings on pension investments	-	1,120,625	78,682	1,199,307
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	<u>201,370</u>	<u>14,904</u>	<u>-</u>	<u>216,274</u>
Total	<u>\$232,120</u>	<u>\$1,277,906</u>	<u>\$90,325</u>	<u>\$1,600,351</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred outflows of resources of \$648,203 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended June 30	MERS	MPERS	FRS	Total
2023	\$ (6,479)	\$ (62,443)	\$ 18,269	\$ (50,653)
2024	(24,767)	(80,942)	17,615	(88,094)
2025	(52,228)	(172,295)	13,455	(211,068)
2026	(70,763)	(386,084)	8,078	(448,769)
2027	-	-	33,018	33,018
2028	-	-	18,747	18,747
Total	<u>\$ (154,237)</u>	<u>\$ (701,764)</u>	<u>\$ 109,182</u>	<u>\$ (746,819)</u>

Sensitivity of the Government's Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:

The following presents the Government's proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the Government's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.85%	\$ 1,143,220	\$ 745,153	\$ 408,463
MPERS	6.75%	4,182,874	2,400,031	911,958
FRS	6.90%	248,734	129,655	30,345
Total		<u>\$ 5,574,828</u>	<u>\$ 3,274,839</u>	<u>\$ 1,350,766</u>

Payables to the Pension Plans

At June 30, 2022, the City's payables MERS, MPERS and FRS were \$25,788, \$51,734 and \$4,346, respectively, which were the contractually required contributions payable for the month of June 2022.

(15) Social Security System

Employees of the City of Scott who are not eligible to participate in any other retirement system are members of the Social Security System. The city and its employees contribute a percentage of each employee's salary to the System (7.65 percent contributed by the City; 7.65 percent contributed by the employee). The City's contributions during the year ending June 30, 2022 amounted to \$271,980.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) On-Behalf Payment of Salaries

During the year ended June 30, 2022, the City recognized \$161,658 as a revenue and expenditure for on-behalf salary payments received from the State of Louisiana.

(17) Utility Fund Contracts

A. The City, under contract dated October 1, 1991, is required to purchase its natural gas from Louisiana Municipal Natural Gas Purchasing and Distribution Authority. Termination of the contract requires a six-month notice. The City purchased natural gas during the year ended June 30, 2022 in the amount of \$189,437, of which \$14,345 was owed for purchases for the month of June 2022.

B. The City, under a contract dated June 1, 1997, and expiring May 31, 2022, is required to purchase its water from the City of Lafayette. The City purchased water during the fiscal year ended June 30, 2022 in the amount of \$1,006,252, of which \$89,034 was owed for purchases for the month of June 2022.

(18) Departmental Information for the Enterprise Fund

The City of Scott maintains one enterprise fund with three departments which provide gas, water, and sewerage services. Departmental information for the year ended June 30, 2022 is as follows:

	Gas Department	Water Department	Sewerage Department	Garbage Department	Total Enterprise Fund
Operating revenues	\$ 547,618	\$ 1,601,029	\$ 856,325	\$ 1,014,755	\$4,019,727
Operating expenses:					
Depreciation	19,739	231,449	357,588	-	608,776
Other	397,484	1,391,249	422,369	993,668	3,204,770
Total operating expenses	417,223	1,622,698	779,957	993,668	3,813,546
Operating income (loss)	\$ 130,395	\$ (21,669)	\$ 76,368	\$ 21,087	\$ 206,181

(19) Litigation and Claims

At June 30, 2022, the City is involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability to the City in excess of insurance coverage.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(20) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2022 follows:

Jan-Scott Richard, Mayor	\$ 85,062
Aldermen:	
Troy Bergeron	17,479
Doyle Boudreaux	12,484
Danny Hollier	12,384
Terry Montoucet	12,484
Kenneth Suire	12,484
Total	\$ 152,377

(21) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Jan-Scott Richard, Mayor, for the year ended June 30, 2022 follows:

Salary	\$ 85,062
Benefits - insurance	7,499
Benefits - retirement	11,955
Car allowance	7,200
Auto expense	2,607
Registration fees	1,390
Conference travel	3,572
Phone	900
Total	\$ 120,185

(22) Risk Management

The City is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(23) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2022:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major funds:		
Governmental funds -		
General Fund	\$ 821,423	\$ 656,342
1968 Sales Tax Special Revenue Fund	-	1,540,928
1984 Sales Tax Special Revenue Fund	774,098	2,327,442
Apollo EDD Sales Tax Special Revenue Fund	2,245,884	375,429
Street Construction Fund	1,355,715	1,186,972
Sales Tax Bonds Fund	383,219	211,857
Proprietary Fund -		
Utility Fund	<u>1,920,714</u>	<u>1,202,083</u>
Total	<u>\$ 7,501,053</u>	<u>\$ 7,501,053</u>

These balances resulted from short-terms loans made to other funds. All interfund balances will be repaid within one year.

B. Transfers

Interfund transfers consisted of the following for the year ended June 30, 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
Governmental funds -		
General Fund	\$ 3,432,585	\$ -
1968 Sales Tax Special Revenue Fund	500,000	2,645,825
1984 Sales Tax Special Revenue Fund	-	2,316,725
Apollo EDD Sales Tax Special Revenue Fund	100,000	744,548
Sales Tax Bonds Fund	1,539,385	-
Proprietary Fund -		
Enterprise Fund	<u>2,385,417</u>	<u>2,250,289</u>
Total	<u>\$ 7,957,387</u>	<u>\$ 7,957,387</u>

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(24) Tax Abatement

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at that time. The future value to this exempt property could be subject to significant fluctuations from today's value; however, the City could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed, no adjustments have been made to the City's financial statements to record the exempt amounts. The City's ad valorem taxes for the year ended June 30, 2022 were reduced by \$4,648.

(25) Uncertainties Arising During and After Financial Statement Date

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

(26) New Accounting Pronouncement

In June of 2017, the Governmental Accounting Standard Board (GASB) issued Statement No. 87, Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for lease by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City adopted this standard in the year ended June 30, 2022. The implementation of this standard had no material effect on the City's financial statements for the year ended June 30, 2022.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 890,800	\$ 1,017,835	\$ 974,836	\$ (42,999)
Licenses and permits	508,778	522,497	545,251	22,754
Intergovernmental	528,270	480,950	482,785	1,835
Fines and forfeits	360,000	447,355	384,058	(63,297)
Miscellaneous	27,250	92,387	71,007	(21,380)
Total revenues	<u>2,315,098</u>	<u>2,561,024</u>	<u>2,457,937</u>	<u>(103,087)</u>
Expenditures:				
Current -				
General government	1,077,773	1,227,155	1,324,924	(97,769)
Public safety -				
Police	3,411,593	3,311,426	3,289,391	22,035
Streets	1,036,391	1,012,559	1,060,755	(48,196)
Culture and tourism	104,630	135,080	184,148	(49,068)
Capital outlay	832,679	746,262	518,182	228,080
Total expenditures	<u>6,463,066</u>	<u>6,432,482</u>	<u>6,377,400</u>	<u>55,082</u>
Deficiency of revenues over expenditures	(4,147,968)	(3,871,458)	(3,919,463)	(48,005)
Other financing sources:				
Transfers in	3,810,000	3,550,000	3,432,585	(117,415)
Net change in fund balance	(337,968)	(321,458)	(486,878)	(165,420)
Fund balance, beginning	<u>2,542,372</u>	<u>2,542,372</u>	<u>2,542,372</u>	-
Fund balance, ending	<u>\$ 2,204,404</u>	<u>\$ 2,220,914</u>	<u>\$ 2,055,494</u>	<u>\$ (165,420)</u>

See notes to required supplementary information.

CITY OF SCOTT, LOUISIANA
1968 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,000,000	\$ 3,228,381	\$ 3,268,905	\$ 40,524
Intergovernmental	2,819,045	1,120,735	1,032,431	(88,304)
Miscellaneous - interest	33,000	7,183	10,899	3,716
Total revenues	<u>5,852,045</u>	<u>4,356,299</u>	<u>4,312,235</u>	<u>(44,064)</u>
Expenditures:				
Current -				
General government	47,000	48,620	42,271	6,349
Streets	637,730	860,477	1,108,016	(247,539)
Capital outlay	2,285,205	1,954,031	781,611	1,172,420
Total expenditures	<u>2,969,935</u>	<u>2,863,128</u>	<u>1,931,898</u>	<u>931,230</u>
Excess of revenues over expenditures	<u>2,882,110</u>	<u>1,493,171</u>	<u>2,380,337</u>	<u>887,166</u>
Other financing sources (uses)				
Transfers in	-	-	500,000	500,000
Transfers out	(1,552,333)	(1,552,333)	(2,645,825)	(1,093,492)
Total other financing sources (uses)	<u>(1,552,333)</u>	<u>(1,552,333)</u>	<u>(2,145,825)</u>	<u>(593,492)</u>
Net change in fund balance	1,329,777	(59,162)	234,512	293,674
Fund balance, beginning	<u>1,857,851</u>	<u>1,857,851</u>	<u>1,857,851</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,187,628</u>	<u>\$ 1,798,689</u>	<u>\$ 2,092,363</u>	<u>\$ 293,674</u>

See notes to the required supplementary information.

CITY OF SCOTT, LOUISIANA
1984 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$3,000,000	\$ 3,228,382	\$ 3,268,905	\$ 40,523
Intergovernmental -				
Local grant	140,654	99,997	87,132	(12,865)
Miscellaneous -				
Other miscellaneous	-	-	9,161	9,161
Interest	<u>33,000</u>	<u>9,461</u>	<u>9,508</u>	<u>47</u>
Total revenues	<u>3,173,654</u>	<u>3,337,840</u>	<u>3,374,706</u>	<u>36,866</u>
Expenditures:				
Current -				
General government	47,000	50,214	42,271	7,943
Public safety -				
Fire	754,522	840,940	810,740	30,200
Streets	130,200	124,693	145,671	(20,978)
Debt service	200,000	324,948	17,077	307,871
Capital outlay	<u>1,178,898</u>	<u>2,230,927</u>	<u>2,465,312</u>	<u>(234,385)</u>
Total expenditures	<u>2,310,620</u>	<u>3,571,722</u>	<u>3,481,071</u>	<u>90,651</u>
Excess (deficiency) of revenues over expenditures	<u>863,034</u>	<u>(233,882)</u>	<u>(106,365)</u>	<u>127,517</u>
Other financing uses:				
Proceeds from issuance of long-term debt	978,898	2,083,898	2,019,775	(64,123)
Transfers out	<u>(1,833,016)</u>	<u>(1,833,017)</u>	<u>(2,316,725)</u>	<u>(483,708)</u>
Total other financing sources (uses)	<u>(854,118)</u>	<u>250,881</u>	<u>(296,950)</u>	<u>(547,831)</u>
Net change in fund balance	8,916	16,999	(403,315)	(420,314)
Fund balance, beginning	<u>1,546,545</u>	<u>1,546,545</u>	<u>1,546,545</u>	<u>-</u>
Fund balance, ending	<u>\$1,555,461</u>	<u>\$ 1,563,544</u>	<u>\$ 1,143,230</u>	<u>\$ (420,314)</u>

See notes to the required supplementary information.

CITY OF SCOTT, LOUISIANA
Apollo Economic Development District Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,050,000	\$ 1,144,160	\$ 1,166,832	\$ 22,672
Miscellaneous - interest	10,000	4,140	4,503	363
Total revenues	<u>1,060,000</u>	<u>1,148,300</u>	<u>1,171,335</u>	<u>23,035</u>
Expenditures:				
Current -				
General government -				
Collection fees	7,000	6,733	6,655	78
Total general government	7,000	6,733	6,655	78
Capital outlay	650,000	650,000	649,638	362
Total expenditures	<u>657,000</u>	<u>656,733</u>	<u>656,293</u>	<u>440</u>
Excess (deficiency) of revenues over expenditures	<u>403,000</u>	<u>491,567</u>	<u>515,042</u>	<u>23,475</u>
Other financing sources (uses):				
Transfers in	-	-	100,000	100,000
Transfers out	(745,349)	(558,210)	(744,548)	(186,338)
Total other financing sources (uses)	<u>(745,349)</u>	<u>(558,210)</u>	<u>(644,548)</u>	<u>(86,338)</u>
Net change in fund balance	(342,349)	(66,643)	(129,506)	(62,863)
Fund balance, beginning	<u>3,519,216</u>	<u>3,519,216</u>	<u>3,519,216</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,176,867</u>	<u>\$ 3,452,573</u>	<u>\$ 3,389,710</u>	<u>\$ (62,863)</u>

See notes to the required supplementary information.

CITY OF SCOTT, LOUISIANA

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:					
Service Cost	\$ 35,796	\$ 33,851	\$ 116,711	\$ 13,592	\$ 12,839
Interest	31,287	28,585	35,276	27,033	26,488
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	370,243	71,008	(60,402)	261,792	7,348
Changes of assumptions	(116,527)	28,755	241,715	51,000	-
Benefit payments	<u>(39,375)</u>	<u>(50,170)</u>	<u>(45,311)</u>	<u>(42,949)</u>	<u>(21,956)</u>
Net changes	281,424	112,029	287,989	310,468	24,719
Total OPEB liability - beginning	<u>1,430,557</u>	<u>1,318,528</u>	<u>1,030,539</u>	<u>720,071</u>	<u>695,352</u>
Total OPEB liability - ending	\$ 1,711,981	\$ 1,430,557	\$ 1,318,528	\$ 1,030,539	\$ 720,071
Covered employee payroll	<u>\$ 2,781,087</u>	<u>\$ 2,468,083</u>	<u>\$ 2,373,157</u>	<u>\$ 2,281,881</u>	<u>\$ 2,432,936</u>
Net OPEB liability as a percentage of covered-employee payroll	61.6%	58.0%	55.6%	45.2%	29.6%

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

See notes to the required supplementary information.

CITY OF SCOTT, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2022*

<u>Plan</u>	<u>Year Ended June 30,</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
MERS	2022	1.286280%	\$ 745,153	\$ 988,523	75.4%	79.14%
	2021	1.215575%	1,101,587	942,043	116.9%	66.26%
	2020	1.755280%	1,028,368	898,647	114.4%	66.14%
	2019	1.232423%	1,042,423	891,955	116.9%	65.60%
	2018	1.179990%	1,020,966	869,409	117.4%	63.49%
	2017	1.191381%	987,546	909,888	108.5%	63.34%
	2016	1.260809%	856,905	874,830	98.0%	68.71%
	2015	1.190261%	558,823	805,041	69.4%	76.94%
MPERS	2022	0.450241%	2,400,031	1,373,603	174.7%	70.94%
	2021	0.430681%	3,980,496	1,332,840	298.6%	70.94%
	2020	0.385657%	3,502,411	1,210,075	289.4%	71.01%
	2019	0.393213%	3,324,247	1,160,042	286.6%	71.89%
	2018	0.319637%	2,790,566	944,827	295.4%	70.08%
	2017	0.309268%	2,898,712	864,272	335.4%	66.04%
	2016	0.363479%	2,847,478	916,405	310.7%	70.73%
	2015	0.312685%	1,956,183	797,969	245.1%	75.10%
FRS	2022	0.036586%	129,655	98,015	132.3%	72.61%
	2021	0.016685%	115,653	41,539	278.4%	72.61%

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

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

See notes to the required supplementary information.

CITY OF SCOTT, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2022

Plan	Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
MERS	2022	\$ 166,000	\$ 166,000	\$ -	\$1,070,978	15.50%
	2021	153,221	153,221	-	988,523	15.50%
	2020	131,886	131,886	-	942,043	14.00%
	2019	125,811	125,811	-	898,647	14.00%
	2018	118,184	118,184	-	891,955	13.25%
	2017	95,635	95,635	-	869,409	11.00%
	2016	87,512	87,512	-	909,888	9.62%
	2015	83,109	83,109	-	874,830	9.50%
MPERS	2022	443,306	443,306	-	1,490,104	29.75%
	2021	463,591	463,591	-	1,373,603	33.75%
	2020	433,178	433,178	-	1,332,840	32.50%
	2019	390,249	390,249	-	1,210,075	32.25%
	2018	356,713	356,713	-	1,160,042	30.75%
	2017	300,681	300,681	-	944,827	31.82%
	2016	255,601	255,601	-	864,272	29.57%
	2015	289,676	289,676	-	916,405	31.61%
FRS	2022	38,720	38,897	(177)	114,726	33.75%
	2021	31,610	31,610	-	98,015	32.25%

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

See notes to the required supplementary information.

CITY OF SCOTT, LOUISIANA

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

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

- a) Prior to June 15, the City Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1.
- b) A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d) 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 a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- e) 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.
- f) All budgetary appropriations lapse at the end of each fiscal year.
- g) Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board of Aldermen.

(2) Pension Plans

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

(3) Other Postemployment Benefits

- a) Benefit changes – There were no changes in benefit terms.
- b) Changes of assumptions:

Change in the discount rate – The discount rate at June 30, 2022 is 3.54 %, a increase of 1.38% from the prior year rate of 2.16%.

(Continued)

CITY OF SCOTT, LOUISIANA

Notes to the Required Supplementary Information (Continued)

(4) Excess of Expenditures Over Appropriations

For the year ended June 30, 2022, the following funds had actual expenditures over appropriations at the function level, as follows:

<u>Fund and Function</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund:			
General government	\$ 1,227,155	\$ 1,324,924	\$ (97,769)
Streets	1,012,559	1,060,755	(48,196)
Culture and tourism	135,080	184,148	(49,068)
1968 Sales Tax Fund:			
Streets	860,477	1,108,016	(247,539)
1984 Sales Tax Fund:			
Streets	124,693	145,671	(20,978)
Capital outlay	2,230,927	2,465,312	(234,385)

OTHER SUPPLEMENTARY INFORMATION

CITY OF SCOTT, LOUISIANA

Statement of Net Position

June 30, 2022

With Comparative Totals as of June 30, 2021

	2022			2021 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 8,026,091	\$ 3,005,257	\$ 11,031,348	\$ 10,889,757
Investments	2,332,969	112,570	2,445,539	2,437,190
Receivables, net	653,273	503,652	1,156,925	1,030,645
Internal balances	(718,631)	718,631	-	-
Due from other governmental units	126,213	-	126,213	468,829
Prepaid items	84,749	15,109	99,858	118,572
Total current assets	<u>10,504,664</u>	<u>4,355,219</u>	<u>14,859,883</u>	<u>14,944,993</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	3,047,062	152,179	3,199,241	10,378,274
Investments	-	162,823	162,823	165,151
Capital assets:				
Land and construction in progress	11,026,099	1,265,504	12,291,603	3,225,470
Other capital assets, net	26,297,006	13,600,847	39,897,853	37,813,727
Total noncurrent assets	<u>40,370,167</u>	<u>15,181,353</u>	<u>55,551,520</u>	<u>51,582,622</u>
Total assets	<u>50,874,831</u>	<u>19,536,572</u>	<u>70,411,403</u>	<u>66,527,615</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	1,448,786	52,949	1,501,735	1,921,219
Deferred outflows of resources related to net OPEB obligation	726,879	71,263	798,142	529,752
Total deferred outflows of resources	<u>2,175,665</u>	<u>124,212</u>	<u>2,299,877</u>	<u>2,450,971</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	1,508,711	253,721	1,762,432	1,223,251
Unearned revenue	804,271	60,980	865,251	139,755
Customers deposits payable	-	235,649	235,649	214,439
Bonds payable	960,000	35,000	995,000	964,000
Accrued interest payable	125,879	2,576	128,455	125,799
Notes payable - short term	489,903	-	489,903	-
Total current liabilities	<u>3,888,764</u>	<u>587,926</u>	<u>4,476,690</u>	<u>2,667,244</u>
Noncurrent liabilities:				
Compensated absences payable	52,516	216	52,732	54,043
Notes payable - long term	1,512,795	-	1,512,795	-
Bonds payable	16,405,000	595,863	17,000,863	17,995,863
Net OPEB obligation payable	1,559,126	152,855	1,711,981	1,430,557
Net pension payable	3,110,905	163,934	3,274,839	5,197,736
Total noncurrent liabilities	<u>22,640,342</u>	<u>912,868</u>	<u>23,553,210</u>	<u>24,678,199</u>
Total liabilities	<u>26,529,106</u>	<u>1,500,794</u>	<u>28,029,900</u>	<u>27,345,443</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	1,549,285	51,066	1,600,351	324,278
Deferred inflows of resources related to net OPEB obligation	126,944	12,446	139,390	43,144
Total deferred inflows of resources	<u>1,676,229</u>	<u>63,512</u>	<u>1,739,741</u>	<u>367,422</u>
NET POSITION				
Net investment in capital assets	20,386,592	14,270,488	34,657,080	31,679,005
Restricted for sales tax dedications	6,625,303	-	6,625,303	6,923,612
Restricted for debt service	490,785	41,777	532,562	476,098
Unrestricted (deficit)	(2,657,519)	3,784,213	1,126,694	2,187,006
Total net position	<u>\$ 24,845,161</u>	<u>\$ 18,096,478</u>	<u>\$42,941,639</u>	<u>\$ 41,265,721</u>

CITY OF SCOTT, LOUISIANA
 Balance Sheets
 General and Special Revenue Funds
 June 30, 2022
 With Comparative Totals as of June 30, 2021

	General		1968 Sales Tax Special Revenue		1984 Sales Tax Special Revenue		Apollo Economic Development District Sales Tax Special Revenue	
	2022	2021	2022	2021	2022	2021	2022	2021
	ASSETS							
Cash	\$ 266,473	\$ 801,248	\$ 83,929	\$ 43,279	\$ 363,351	\$ 335,744	\$ 108,979	\$ 44,600
Interest-bearing deposits	1,428,802	1,308,771	2,415,072	1,120,060	1,935,241	2,407,886	1,424,244	1,601,571
Investments	532,881	531,651	1,681,206	1,677,325	118,882	118,608	-	-
Receivables:								
Taxes	2,510	1,217	277,671	257,410	277,671	257,410	95,053	88,505
Accrued interest	-	-	157	6	157	6	54	2
Due from other funds	821,423	808,156	-	-	774,098	700,095	2,245,884	2,204,955
Due from other governmental units	4,262	8,668	90,615	419,577	31,336	40,584	-	-
Prepaid items	84,749	100,370	-	-	-	-	-	-
Total assets	<u>\$3,141,100</u>	<u>\$ 3,560,081</u>	<u>\$4,548,650</u>	<u>\$ 3,517,657</u>	<u>\$3,500,736</u>	<u>\$ 3,860,333</u>	<u>\$ 3,874,214</u>	<u>\$ 3,939,633</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 152,370	\$ 190,052	\$ 182,598	\$ 107,268	\$ 28,449	\$ 23,414	\$ -	\$ -
Contracts payable	-	-	19,400	58,586	-	-	-	-
Retainage payable	-	-	78,040	-	-	-	-	-
Accrued liabilities	106,516	139,167	1,427	3,503	1,615	3,690	109,075	44,988
Due to other funds	656,342	637,447	1,540,928	1,490,449	2,327,442	2,278,837	375,429	375,429
Unearned revenue	170,378	51,043	633,894	-	-	7,847	-	-
Total liabilities	<u>1,085,606</u>	<u>1,017,709</u>	<u>2,456,287</u>	<u>1,659,806</u>	<u>2,357,506</u>	<u>2,313,788</u>	<u>484,504</u>	<u>420,417</u>
Fund balances -								
Nonspendable (prepaid items)	84,749	100,370	-	-	-	-	-	-
Restricted - sales tax dedications	-	-	2,092,363	1,857,851	1,143,230	1,546,545	3,389,710	3,519,216
Unassigned	1,970,745	2,442,002	-	-	-	-	-	-
Total fund balances	<u>2,055,494</u>	<u>2,542,372</u>	<u>2,092,363</u>	<u>1,857,851</u>	<u>1,143,230</u>	<u>1,546,545</u>	<u>3,389,710</u>	<u>3,519,216</u>
Total liabilities and fund balances	<u>\$3,141,100</u>	<u>\$ 3,560,081</u>	<u>\$4,548,650</u>	<u>\$ 3,517,657</u>	<u>\$3,500,736</u>	<u>\$ 3,860,333</u>	<u>\$ 3,874,214</u>	<u>\$ 3,939,633</u>

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 335,000	\$ 343,125	\$ 352,694	\$ 9,569	\$ 310,088
Franchise -					
Electric	472,000	588,024	536,465	(51,559)	446,730
Natural gas	24,545	29,521	29,521	-	22,522
Cable TV	54,155	54,227	54,118	(109)	53,828
Telephone	5,100	2,938	2,038	(900)	3,733
Total taxes	<u>890,800</u>	<u>1,017,835</u>	<u>974,836</u>	<u>(42,999)</u>	<u>836,901</u>
Licenses and permits:					
Liquor and beer licenses	6,000	6,000	6,055	55	4,921
Occupational licenses	29,000	26,625	25,925	(700)	30,220
Insurance occupational licenses	200,000	214,062	216,537	2,475	159,313
Building permits	211,000	211,513	218,909	7,396	126,311
Electrical permits	41,324	36,861	42,565	5,704	22,902
Other permits	21,454	27,436	35,260	7,824	22,513
Total licenses and permits	<u>508,778</u>	<u>522,497</u>	<u>545,251</u>	<u>22,754</u>	<u>366,180</u>
Intergovernmental:					
Federal	12,000	16,000	-	(16,000)	64,707
State of Louisiana	189,960	188,304	204,986	16,682	216,632
Local	326,310	276,646	277,799	1,153	902,457
Total intergovernmental	<u>528,270</u>	<u>480,950</u>	<u>482,785</u>	<u>1,835</u>	<u>1,183,796</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Revenues (Continued)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Actual	Variance with Final Budget Positive (Negative)	2021 Actual
	Budget				
	Original	Final			
Fines and forfeits:					
Fines and court costs - regular	160,000	193,013	160,908	(32,105)	144,910
Fines and court costs - LACE	<u>200,000</u>	<u>254,342</u>	<u>223,150</u>	<u>(31,192)</u>	<u>206,994</u>
Total fines and forfeits	<u>360,000</u>	<u>447,355</u>	<u>384,058</u>	<u>(63,297)</u>	<u>351,904</u>
Miscellaneous:					
Interest	9,500	5,022	6,222	1,200	7,520
Begnaud House inventory sales	2,000	3,788	4,817	1,029	80
Begnaud House event admission	250	1,545	1,529	(16)	-
Event Center revenues	15,000	23,250	31,050	7,800	25,850
Donations	-	650	-	(650)	100,000
Veterans Memorial	-	38,250	-	(38,250)	-
Other sources	<u>500</u>	<u>19,882</u>	<u>27,389</u>	<u>7,507</u>	<u>25,621</u>
Total miscellaneous	<u>27,250</u>	<u>92,387</u>	<u>71,007</u>	<u>(21,380)</u>	<u>159,071</u>
Total revenues	<u>\$2,315,098</u>	<u>\$2,561,024</u>	<u>\$2,457,937</u>	<u>\$ (103,087)</u>	<u>\$ 2,897,852</u>

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
General government:					
Administration:					
Mayor and council salaries	\$ 152,490	\$ 152,377	\$ 152,377	\$ -	\$ 149,490
Other salaries	148,624	148,101	151,215	(3,114)	146,613
Payroll taxes	22,316	22,339	22,307	32	19,762
Retirement	33,818	33,583	33,927	(344)	33,410
Telephone and utilities	24,964	28,484	30,856	(2,372)	24,442
Advertising and publications	25,000	21,740	22,309	(569)	19,118
Repairs and maintenance	41,280	41,505	42,479	(974)	75,132
Dues and conventions	7,000	5,177	9,526	(4,349)	8,634
Legal fees	130,000	171,859	194,565	(22,706)	146,499
Government relations and consulting	4,800	4,796	-	4,796	-
Accounting and auditing	40,000	40,000	32,175	7,825	35,665
Computer service	15,200	16,322	18,529	(2,207)	16,536
General insurance	59,817	58,853	43,776	15,077	84,612
Group insurance	32,782	48,723	69,810	(21,087)	38,780
Office expenditures	50,200	52,001	54,260	(2,259)	48,089
Uniforms	3,000	2,447	2,102	345	3,923
Scott business appreciation	3,885	1,760	1,904	(144)	918
Bad debt expense	-	-	1,217	(1,217)	-
Cultural activities	15,600	22,077	16,443	5,634	6,973
Collection fees	8,900	8,900	9,842	(942)	9,212
Miscellaneous	3,735	2,303	1,353	950	3,190
	<u>823,411</u>	<u>883,347</u>	<u>910,972</u>	<u>(27,625)</u>	<u>870,998</u>
Code Department:					
Salaries	107,200	130,645	134,152	(3,507)	101,407
Payroll taxes and retirement	22,946	27,034	26,968	66	22,301
Group insurance	13,416	9,402	10,704	(1,302)	12,103
Building permits	110,000	175,077	240,490	(65,413)	136,277
Training	800	1,650	1,638	12	215
	<u>254,362</u>	<u>343,808</u>	<u>413,952</u>	<u>(70,144)</u>	<u>272,303</u>
Total general government	<u>1,077,773</u>	<u>1,227,155</u>	<u>1,324,924</u>	<u>(97,769)</u>	<u>1,143,301</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Budget		Actual	Variance with	2021 Actual
	Original	Final		Final Budget Positive (Negative)	
Public safety:					
Police -					
Salaries	1,887,758	1,812,514	1,772,708	39,806	1,657,842
Salaries - Chief	89,063	90,847	90,847	-	89,065
Payroll taxes	159,086	136,294	142,611	(6,317)	132,788
Retirement	430,385	438,034	443,306	(5,272)	463,591
Vehicle allowance	9,600	9,600	9,663	(63)	9,600
Auto fuel and oil	100,000	100,000	102,770	(2,770)	64,571
Uniforms and supplies	23,600	23,600	53,595	(29,995)	37,148
Training, lodging and travel	18,000	17,000	11,496	5,504	10,895
Dues and subscriptions	13,000	13,000	8,524	4,476	9,751
General insurance	188,253	188,253	188,180	73	183,431
Group insurance	254,838	247,109	262,317	(15,208)	229,972
Advertising	3,000	3,000	2,041	959	353
Miscellaneous	6,000	6,000	3,223	2,777	7,189
Auto repairs and maintenance	67,260	65,000	58,200	6,800	34,042
Firearms and ammunition	9,000	9,000	8,360	640	8,732
Telephone and utilities	67,550	68,200	52,443	15,757	45,393
Computer services	20,000	20,000	22,904	(2,904)	19,382
Office repairs and maintenance	42,800	42,800	40,819	1,981	57,199
Office supplies	18,225	17,000	13,002	3,998	14,640
Civil service -					
Contract services	2,175	2,175	2,112	63	2,112
Office supplies/miscellaneous	2,000	2,000	270	1,730	1,626
Total public safety	<u>3,411,593</u>	<u>3,311,426</u>	<u>3,289,391</u>	<u>22,035</u>	<u>3,079,322</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Actual	Variance with Final Budget Positive (Negative)	2021 Actual
	Budget				
	Original	Final			
Streets:					
Salaries	566,999	564,331	575,717	(11,386)	544,766
Retirement	82,961	76,972	78,320	(1,348)	62,483
Payroll taxes	44,509	42,893	43,538	(645)	41,516
Street lighting	106,000	91,777	109,066	(17,289)	97,663
General insurance	105,426	119,258	112,653	6,605	101,133
Group insurance	99,771	82,054	90,823	(8,769)	71,328
Dues and subscriptions	5,000	5,000	5,407	(407)	4,567
Utilities	6,625	13,852	10,906	2,946	7,695
Engineering	-	-	12,613	(12,613)	2,014
Repairs and maintenance	13,000	10,570	13,038	(2,468)	28,906
Uniforms	6,000	5,730	4,801	929	3,957
Install/remove Christmas decorations	-	-	152	(152)	514
Miscellaneous	100	122	3,721	(3,599)	11,209
Total streets	<u>1,036,391</u>	<u>1,012,559</u>	<u>1,060,755</u>	<u>(48,196)</u>	<u>977,751</u>
Culture and tourism:					
Begnaud House -					
Salaries	15,915	16,551	16,959	(408)	-
Payroll taxes	1,224	1,289	1,318	(29)	-
General insurance	2,400	2,491	1,701	790	1,524
Cost of sales	500	1,582	3,969	(2,387)	-
Telephone and utilities	4,384	5,583	6,766	(1,183)	4,496
Advertising and marketing	500	-	-	-	-
Events	350	300	300	-	-
Office expenditures	3,181	4,737	4,361	376	2,125
Building and grounds maintenance	1,000	1,382	6,265	(4,883)	938
Conferences	150	300	331	(31)	-
Miscellaneous	100	-	530	(530)	840
Total Begnaud House	<u>29,704</u>	<u>34,215</u>	<u>42,500</u>	<u>(8,285)</u>	<u>9,923</u>
Scott Event Center -					
Contract labor	350	346	362	(16)	87
General insurance	1,500	1,519	166	1,353	1,567
Utilities	8,000	11,536	12,423	(887)	9,255
Repairs and maintenance	5,400	19,841	20,999	(1,158)	9,256
Supplies	960	1,110	201	909	126
Total Scott Event Center	<u>16,210</u>	<u>34,352</u>	<u>34,151</u>	<u>201</u>	<u>20,291</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Actual	Variance with Final Budget Positive (Negative)	2021 Actual
	Budget				
	Original	Final			
Scott Community Center -					
General insurance	610	-	-	-	723
Repairs and maintenance	10,000	-	-	-	-
Telephone and utilities	350	817	871	(54)	707
Total Scott Community Center	<u>10,960</u>	<u>817</u>	<u>871</u>	<u>(54)</u>	<u>1,430</u>
Scott Park -					
Utilities	28,000	23,911	27,737	(3,826)	-
Insurance	4,756	4,756	65,346	(60,590)	-
Repairs and supplies	15,000	13,377	13,543	(166)	-
Improvements note	-	23,652	-	23,652	-
Total Scott Community Center	<u>47,756</u>	<u>65,696</u>	<u>106,626</u>	<u>(40,930)</u>	<u>-</u>
Total culture and recreation	<u>104,630</u>	<u>135,080</u>	<u>184,148</u>	<u>(49,068)</u>	<u>31,644</u>
Capital outlay	<u>832,679</u>	<u>746,262</u>	<u>518,182</u>	<u>228,080</u>	<u>324,086</u>
Total expenditures	<u>\$6,463,066</u>	<u>\$6,432,482</u>	<u>\$6,377,400</u>	<u>\$ 55,082</u>	<u>\$5,556,104</u>

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1968 Sales Tax Fund

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 3,000,000	\$3,228,381	\$3,268,905	\$ 40,524	\$2,949,053
Intergovernmental -					
Federal	2,819,045	1,120,735	1,032,431	(88,304)	493,276
State grant	-	-	-	-	180,000
Miscellaneous -					
Interest	33,000	7,183	10,899	3,716	24,783
Total revenues	<u>5,852,045</u>	<u>4,356,299</u>	<u>4,312,235</u>	<u>(44,064)</u>	<u>3,647,112</u>
Expenditures:					
General government -					
Collection fees	19,000	22,215	19,266	2,949	22,382
Professional fees	28,000	26,405	23,005	3,400	30,630
Total general government	<u>47,000</u>	<u>48,620</u>	<u>42,271</u>	<u>6,349</u>	<u>53,012</u>
Streets -					
Supplies and repairs	83,000	83,461	135,100	(51,639)	704,427
Herbicide program	29,730	29,730	47,349	(17,619)	25,653
Channel cleaning	250,000	250,000	250,000	-	-
Engineering fees - annexations, etc.	275,000	497,286	675,567	(178,281)	505,849
Total streets	<u>637,730</u>	<u>860,477</u>	<u>1,108,016</u>	<u>(247,539)</u>	<u>1,235,929</u>
Capital outlay	<u>2,285,205</u>	<u>1,954,031</u>	<u>781,611</u>	<u>1,172,420</u>	<u>883,410</u>
Total expenditures	<u>2,969,935</u>	<u>2,863,128</u>	<u>1,931,898</u>	<u>931,230</u>	<u>2,172,351</u>
Excess of revenues over expenditures	<u>2,882,110</u>	<u>1,493,171</u>	<u>2,380,337</u>	<u>887,166</u>	<u>1,474,761</u>
Other financing sources/(uses)					
Transfers in	-	-	500,000	500,000	-
Transfers out	<u>(1,552,333)</u>	<u>(1,552,333)</u>	<u>(2,645,825)</u>	<u>(1,093,492)</u>	<u>(2,924,791)</u>
Total other financing sources/(uses)	<u>(1,552,333)</u>	<u>(1,552,333)</u>	<u>(2,145,825)</u>	<u>(593,492)</u>	<u>(2,924,791)</u>
Net change in fund balance	1,329,777	(59,162)	234,512	293,674	(1,450,030)
Fund balance, beginning	<u>1,857,851</u>	<u>1,857,851</u>	<u>1,857,851</u>	<u>-</u>	<u>3,307,881</u>
Fund balance, ending	<u>\$ 3,187,628</u>	<u>\$ 1,798,689</u>	<u>\$ 2,092,363</u>	<u>\$ 293,674</u>	<u>\$ 1,857,851</u>

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1984 Sales Tax Fund

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 3,000,000	\$ 3,228,382	\$ 3,268,905	\$ 40,523	\$ 2,949,053
Intergovernmental -					
Local grant	140,654	99,997	87,132	(12,865)	114,813
Miscellaneous -					
Other miscellaneous	-	-	9,161	9,161	-
Interest	33,000	9,461	9,508	47	31,783
Total revenues	<u>3,173,654</u>	<u>3,337,840</u>	<u>3,374,706</u>	<u>36,866</u>	<u>3,095,649</u>
Expenditures:					
General government -					
Sales tax collection fee	19,000	22,214	19,266	2,948	22,382
Professional fees	28,000	28,000	23,005	4,995	19,089
Total general government	<u>47,000</u>	<u>50,214</u>	<u>42,271</u>	<u>7,943</u>	<u>41,471</u>
Public safety - fire					
Contract	75,000	75,000	75,000	-	75,000
Telephone and supplies	1,000	2,153	2,595	(442)	4,208
Uniforms	5,300	3,323	4,813	(1,490)	1,431
Professional fees	18,000	17,400	27,760	(10,360)	20,340
Salaries and benefits	506,081	581,256	546,545	34,711	510,454
Payroll taxes	37,578	42,526	40,230	2,296	41,260
Retirement	31,599	37,190	38,897	(1,707)	31,610
Contract labor	57,632	56,996	57,644	(648)	57,236
Insurance	22,332	25,096	17,256	7,840	15,909
Total public safety	<u>754,522</u>	<u>840,940</u>	<u>810,740</u>	<u>30,200</u>	<u>757,448</u>
Streets -					
Vehicle and equipment repairs and maintenance	60,000	84,368	122,421	(38,053)	67,560
Equipment	70,200	40,325	23,250	17,075	38,139
Total streets	<u>130,200</u>	<u>124,693</u>	<u>145,671</u>	<u>(20,978)</u>	<u>105,699</u>
Debt service	200,000	324,948	17,077	307,871	-
Capital outlay	1,178,898	2,230,927	2,465,312	(234,385)	147,608
Total expenditures	<u>2,310,620</u>	<u>3,571,722</u>	<u>3,481,071</u>	<u>90,651</u>	<u>1,052,226</u>
Excess (deficiency) of revenues over expenditures	<u>863,034</u>	<u>(233,882)</u>	<u>(106,365)</u>	<u>127,517</u>	<u>2,043,423</u>

(continued)

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1984 Sales Tax Fund

Detailed Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Other financing sources (uses):					
Proceeds from issuance of debt	978,898	2,083,898	2,019,775	(64,123)	-
Transfers out	<u>(1,833,016)</u>	<u>(1,833,017)</u>	<u>(2,316,725)</u>	<u>(483,708)</u>	<u>(2,435,431)</u>
Total other financing sources (uses)	<u>(854,118)</u>	<u>250,881</u>	<u>(296,950)</u>	<u>(547,831)</u>	<u>(2,435,431)</u>
Net change in fund balance	8,916	16,999	(403,315)	(420,314)	(392,008)
Fund balance, beginning	<u>1,546,545</u>	<u>1,546,545</u>	<u>1,546,545</u>	<u>-</u>	<u>1,938,553</u>
Fund balance, ending	<u>\$ 1,555,461</u>	<u>\$ 1,563,544</u>	<u>\$ 1,143,230</u>	<u>\$ (420,314)</u>	<u>\$ 1,546,545</u>

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
Apollo Economic Development District Sales Tax Special Revenue Fund

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Actual	Variance with Final Budget Positive (Negative)	2021 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$1,050,000	\$ 1,144,160	\$ 1,166,832	\$ 22,672	\$1,059,074
Miscellaneous	<u>10,000</u>	<u>4,140</u>	<u>4,503</u>	<u>363</u>	<u>8,811</u>
Total revenues	<u>1,060,000</u>	<u>1,148,300</u>	<u>1,171,335</u>	<u>23,035</u>	<u>1,067,885</u>
Expenditures:					
General government -					
Collection fees	7,000	6,733	6,655	78	7,060
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total general government	7,000	6,733	6,655	78	7,160
Capital outlay	<u>650,000</u>	<u>650,000</u>	<u>649,638</u>	<u>362</u>	<u>616,187</u>
Total expenditures	<u>657,000</u>	<u>656,733</u>	<u>656,293</u>	<u>440</u>	<u>623,347</u>
Excess of (deficiency) revenues over expenditures	<u>403,000</u>	<u>491,567</u>	<u>515,042</u>	<u>23,475</u>	<u>444,538</u>
Other financing sources (uses):					
Transfers in	-	-	100,000	100,000	600,000
Transfers out	<u>(745,349)</u>	<u>(558,210)</u>	<u>(744,548)</u>	<u>(186,338)</u>	<u>(743,160)</u>
Total other financing sources (uses)	<u>(745,349)</u>	<u>(558,210)</u>	<u>(644,548)</u>	<u>(86,338)</u>	<u>(143,160)</u>
Net change in fund balance	(342,349)	(66,643)	(129,506)	(62,863)	301,378
Fund balance, beginning	<u>3,519,216</u>	<u>3,519,216</u>	<u>3,519,216</u>	<u>-</u>	<u>3,217,838</u>
Fund balance, ending	<u>\$3,176,867</u>	<u>\$3,452,573</u>	<u>\$3,389,710</u>	<u>\$ (62,863)</u>	<u>\$3,519,216</u>

CITY OF SCOTT, LOUISIANA
Capital Projects Fund
Street Construction Fund

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Actual	Variance - Favorable (Unfavorable)	2021 Actual
	Budget				
	Original	Final			
Revenues:					
Miscellaneous - interest	\$ 85,000	\$ 27,938	\$ 24,145	\$ (3,793)	\$ 143,708
Expenditures:					
Capital outlay	6,275,000	6,821,558	7,648,534	(826,976)	780,300
Total expenditures	6,275,000	6,821,558	7,648,534	(826,976)	780,300
Deficiency of revenues over expenditures	(6,190,000)	(6,793,620)	(7,624,389)	(830,769)	(636,592)
Other financing sources (uses):					
Transfers in	88,700	88,700	-	(88,700)	15
Transfers out	(403,700)	(403,700)	-	403,700	-
Total other financing sources (uses)	(315,000)	(315,000)	-	315,000	15
Net change in fund balance	(6,505,000)	(7,108,620)	(7,624,389)	(515,769)	(636,577)
Fund balance, beginning	9,565,671	9,565,671	9,565,671	-	10,202,248
Fund balance, ending	<u>\$ 3,060,671</u>	<u>\$2,457,051</u>	<u>\$ 1,941,282</u>	<u>\$(515,769)</u>	<u>\$ 9,565,671</u>

CITY OF SCOTT, LOUISIANA
Comparative Statement of Net Position
Enterprise Fund
June 30, 2022 and 2021

	Utility Fund	
	2022	2021
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 3,005,257	\$ 3,226,598
Investments	112,570	109,606
Receivables:		
Accounts, net of allowance for doubtful accounts	377,673	300,415
Unbilled utility receivables	125,979	122,127
Accrued interest receivable	-	3,547
Due from other funds	1,920,714	1,963,276
Prepaid items	15,109	18,202
Total current assets	5,557,302	5,743,771
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	152,179	119,158
Investments	162,823	165,151
Capital assets -		
Land and construction in progress	1,265,504	643,391
Other capital assets, net of accumulated depreciation	13,600,847	13,785,199
Total noncurrent assets	15,181,353	14,712,899
Total assets	20,738,655	20,456,670
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	52,949	89,437
Deferred outflows of resources related to net OPEB obligation	71,263	54,802
Total deferred outflows of resources	124,212	144,239
LIABILITIES		
Current liabilities:		
Accounts payable	242,415	126,728
Accrued liabilities	11,306	89,840
Unearned revenue	60,980	80,865
Due to other funds	1,202,083	1,202,917
Payable from restricted assets:		
Customers' deposits payable	235,649	214,439
Water revenue bonds payable	35,000	34,000
Accrued interest payable	2,576	2,715
Total current liabilities	1,790,009	1,751,504
Noncurrent liabilities:		
Compensated absences payable	216	422
Water revenue bonds payable	595,863	630,863
Net OPEB obligation payable	152,855	147,989
Net pension liability	163,934	297,428
Total noncurrent liabilities	912,868	1,076,702
Total liabilities	2,702,877	2,828,206
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	51,066	8,653
Deferred inflows of resources related to net OPEB obligation	12,446	4,463
Total deferred inflows of resources	63,512	13,116
NET POSITION		
Net investment in capital assets	14,270,488	13,797,727
Restricted for debt service	41,777	33,155
Unrestricted	3,784,213	3,928,705
Total net position	\$ 18,096,478	\$ 17,759,587

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Statement of Revenues and Expenses
For the Years Ended June 30, 2022 and 2021

	Totals		Gas	
	2022	2021	2022	2021
Operating revenues:				
Customers service charges	\$ 3,635,961	\$ 3,503,781	\$ 501,784	\$ 415,623
Permits, reconnections and penalties	383,766	356,873	45,834	47,194
Total operating revenues	<u>4,019,727</u>	<u>3,860,654</u>	<u>547,618</u>	<u>462,817</u>
Operating expenses:				
Salaries	245,538	293,250	100,144	154,054
Retirement - current	35,815	42,392	14,382	21,461
Retirement expense (benefit) - GASB 68	(47,520)	(10,737)	(19,008)	(5,433)
OPEB expense (benefit)	(3,612)	7,083	(1,445)	3,541
Disposal charges - plant	2,947	3,444	-	-
Gas and water purchases	1,195,689	1,028,339	189,437	102,827
Garbage collection fees	993,668	936,383	-	-
Supplies and repairs	368,495	211,593	25,556	32,249
Supplies - plant	73,108	52,244	-	-
Utilities	43,041	28,820	813	960
Utilities - plant	44,355	49,746	-	-
Professional fees	41,099	50,476	16,565	17,500
Insurance	43,500	48,275	11,908	14,851
Insurance - plant	18,641	22,066	-	-
Group insurance	73,431	66,749	29,842	27,581
Office expense	27,192	22,158	6,996	6,282
Payroll taxes	18,417	22,288	7,540	11,716
Truck expenses	15,792	15,162	4,230	4,591
Training	11,942	14,429	8,999	13,310
Uniforms	3,232	3,900	1,525	1,901
Bad debts	-	34,988	-	7,311
Depreciation	553,373	490,590	19,739	19,739
Depreciation - plant	55,403	55,619	-	-
Total operating expenses	<u>3,813,546</u>	<u>3,489,257</u>	<u>417,223</u>	<u>434,441</u>
Net operating income (loss)	<u>\$ 206,181</u>	<u>\$ 371,397</u>	<u>\$ 130,395</u>	<u>\$ 28,376</u>

Water		Sewerage		Garbage	
2022	2021	2022	2021	2022	2021
\$ 1,410,417	\$ 1,412,483	\$ 719,005	\$ 723,438	\$ 1,004,755	\$ 952,237
190,612	136,857	137,320	162,490	10,000	10,332
<u>1,601,029</u>	<u>1,549,340</u>	<u>856,325</u>	<u>885,928</u>	<u>1,014,755</u>	<u>\$ 962,569</u>
107,764	102,735	37,630	36,461	-	-
15,789	15,433	5,644	5,498	-	-
(20,909)	(3,908)	(7,603)	(1,396)	-	-
(1,445)	2,361	(722)	1,181	-	-
-	-	2,947	3,444	-	-
1,006,252	925,512	-	-	-	-
-	-	-	-	993,668	936,383
194,275	138,178	148,664	41,166	-	-
-	-	73,108	52,244	-	-
843	690	41,385	27,170	-	-
-	-	44,355	49,746	-	-
12,267	16,488	12,267	16,488	-	-
19,376	19,974	12,216	13,450	-	-
-	-	18,641	22,066	-	-
29,080	27,027	14,509	12,141	-	-
10,457	8,103	9,739	7,773	-	-
8,145	7,915	2,732	2,657	-	-
5,312	7,472	6,250	3,099	-	-
2,918	682	25	437	-	-
1,125	1,300	582	699	-	-
-	19,034	-	8,643	-	-
231,449	219,034	302,185	251,817	-	-
-	-	55,403	55,619	-	-
<u>1,622,698</u>	<u>1,508,030</u>	<u>779,957</u>	<u>610,403</u>	<u>993,668</u>	<u>936,383</u>
<u>\$ (21,669)</u>	<u>\$ 41,310</u>	<u>\$ 76,368</u>	<u>\$ 275,525</u>	<u>\$ 21,087</u>	<u>26,186</u>

CITY OF SCOTT, LOUISIANA

Justice System Funding Schedule - Collecting/Disbursing Entity
June 30, 2022

	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>6/30/2022</u>
Beginning Balance of Amounts Collected	\$ 11,831	\$ 22,288
Add: Collections -		
Civil Fees	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	95,965	101,551
Criminal Fines - Contempt	-	-
Criminal Fines - Other	161,770	225,349
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	<u>257,735</u>	<u>326,900</u>
Less: Disbursements to Governments and Nonprofits -		
Lafayette Crime Stoppers	2,200	2,808
Acadiana Criminalistics Lab	33,990	42,890
15th JDC Indigent Defender Fund	38,430	49,105
Louisiana Commission on Law Enforcement - Criminal Fines	2,068	2,894
Louisiana State Treasurer CMIS - Criminal Fines	3,288	4,209
LA Dept of Health & Hospitals THI/SCI - Criminal Fines	3,580	4,740
LA Association of Chiefs of Police	1,101	1,403
Louisiana Supreme Court - Criminal Fines	851	810
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	<u>161,770</u>	<u>225,349</u>
Subtotal Disbursements/Retainage	<u>247,278</u>	<u>334,208</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 22,288</u>	<u>\$ 14,980</u>

**INTERNAL CONTROL, COMPLIANCE,
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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Of Counsel

Victor R. Slaven, CPA* - retired 2020
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Jan-Scott Richard, Mayor
and Members of the Board of Aldermen
City of Scott, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Scott, Louisiana (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise the City's basic financial statements and have issued our report thereon dated December 15, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 that we consider to be a material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Scott, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Scott's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 15, 2022

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Jan-Scott Richard, Mayor
and Members of the Board of Aldermen
City of Scott, Louisiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Scott's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Scott complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-003. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Scott's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002 to be material weakness.

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

Government Auditing Standards requires the auditor to perform limited procedures on the City of Scott's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 15, 2022

CITY OF SCOTT, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program Name	Assistance Listing Number	Current Year Expenditures
Direct Program:		
U.S. Department of Treasury		
* COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ 970,341
Pass-through Programs:		
U.S. Federal Highway Administration		
Passed through Louisiana Department of Transportation and Development:		
Highway Planning and Construction Cluster - Transportation Alternative Program	20.205	8,477
U.S. Department of Homeland Security -		
Passed through Louisiana Department of Homeland Security:		
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	87,132
U.S. Department of Homeland Security -		
Passed through Louisiana Department of Homeland Security:		
Disaster Grants - Public Assistance	97.036	<u>519,773</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 1,585,723</u>

* Indicates major program

CITY OF SCOTT, LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Scott (City) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements for the year ended June 30, 2022. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

(4) Relationship to the Financial Statements

During the year ended June 30, 2021, the City incurred eligible expenditures for FEMA disaster reimbursements in the amount of \$519,773 for Hurricane Laura and Hurricane Delta, however, the project worksheets (PW) had not yet been approved. Therefore, the FEMA disaster reimbursements and eligible expenditures that were incurred were required to be reported in the financial statements but not in the Schedule of Expenditures of Federal Awards on June 30, 2021. The PW for these projects were approved during the year ended June 30, 2022 and will be included in the Schedule of Expenditures of Federal Awards.

Additionally, the schedule of expenditures of federal awards reporting amounts for the American Rescue Plan are based on the ARPA report that is required to be submitted. In accordance with program guidance, the schedule of expenditures of federal awards reports expenditures incurred from March 1, 2021, through June 30, 2022, which includes expenditures of \$84,254 that were incurred in the prior year.

CITY OF SCOTT, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Part I. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City were prepared in accordance with GAAP.
2. One deficiency in internal control was disclosed during the audit of the financial statements. The deficiency was considered to be a material weakness.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Governmental Auditing Standards*, were disclosed during the audit.
4. One material weaknesses in internal control over major federal award programs was reported during the audit.
5. The auditor's report on compliance for the Coronavirus State and Local Fiscal Recovery Funds (21.027) expresses an unmodified opinion.
6. There were audit findings that are required to be reported in accordance with 2 CFR section 200.516 (a) are reported in this schedule.
7. The following program is considered to be the only major program: Coronavirus State and Local Fiscal Recovery Funds (21.027).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The auditee did not qualify as a low-risk auditee.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

Internal Control Finding -

2022-001 Inadequate Controls Over Financial Statement Preparation

Fiscal year finding initially occurred: 2022

Criteria

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

Condition

The City should be able to record financial transactions and prepare financial statements in accordance with GAAP.

CITY OF SCOTT, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Cause

The City does not have the personnel with the qualifications needed to perform this function.

Effect

The City's financial transactions and financial statements may not be prepared in accordance with GAAP.

Recommendation

The City should outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

Management's Corrective Action Plan

The City has evaluated the cost vs benefit of establishing internal controls over the preparation of the financial statements in accordance with GAAP and determined that it is in the best interest of the City to outsource this task to the independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Compliance Findings –

There were no compliance findings reported for the year ended June 30, 2022.

Part III. Findings and questioned cost for Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

Internal Control Findings –

U.S. Department of the Treasury:

2022-002 Controls Over Activities Allowed/Allowable Costs

Assistance Listing # 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Fiscal year finding initially occurred: 2022

Criteria

In accordance with the Uniform Guidance, the City should have internal controls over some or all of the compliance requirements for major federal programs.

CITY OF SCOTT, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Condition

The City's internal controls over activities allowed/allowable costs were determined to be ineffective during the performance of internal control testing over the major federal program.

Cause

The City did not adhere to their established controls and procedures over activities allowed/allowable costs.

Effect

There were 15 transactions totaling \$29,550 that were incurred prior to the grant award. As a result, the City was not in compliance with allowable activities and cost requirements with questioned costs totaling \$29,550.

Recommendation

The City should review their established policies and procedures for effectiveness and ensure all employees adhere to all established procedures.

Management's Corrective Action Plan

The City of Scott will review financial policies and procedures and make any necessary changes to ensure an effective control environment.

Compliance Findings –

US. Department of the Treasury

2022-003 Controls Over Activities Allowed/Allowable Costs

Assistance Listing # 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Fiscal year finding initially occurred: 2022

See internal control finding 2022-002

MAYOR
JAN-SCOTT RICHARD
CITY MANAGER
BRENDA T. DUGAS
CITY CLERK
SHELLEY M. GAUTREAU



SCOTT
LOUISIANA
— EST. 1907 —
BOUDIN CAPITAL OF THE WORLD

COUNCIL
TROY BERGERON
At Large—Mayor Pro-Tem
DOYLE J. BOUDREAUX
TERRY MONTOUGET
DANNY T. HOLLIER
KENNY J. SUIRE

Corrective Action Plan
December 15, 2022

U.S. Department of Justice

The City of Scott respectfully submits the following corrective action plan for the year ended 6/30/22.

Audit conducted by:
Kolder, Slaven, & Company, LLC
183 S. Beadle Road
Lafayette, LA 70508

Audit Period: 7/1/21-6/30/22

The findings from the 6/30/22 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT:

Internal Control:

Material Weakness -

2022-001: Inadequate Controls Over Financial Statement Preparation

Recommendation: The City should be able to record financial transactions and prepare financial statements in accordance with GAAP. The City should outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

Corrective Action Plan: The City has evaluated the cost vs benefit of establishing internal controls over the preparation of the financial statements in accordance with GAAP and determined that it is in the best interest of the City to outsource this task to the independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT:

Internal Control:

Material Weakness –

U.S. Department of the Treasury

2022-002 Controls Over Activities Allowed/Allowable Costs

Recommendation: The City should review their established policies and procedures for effectiveness and ensure all employees adhere to all established procedures.

Corrective Action Plan: The City of Scott will review financial policies and procedures and make any necessary changes to ensure an effective control environment.

Compliance –

U.S. Department of the Treasury

2022-003 Controls Over Activities Allowed/Allowable Costs

See Internal Control Finding 2022-002.

If the U.S. Department of Justice has questions regarding this plan, please call Mayor Jan Richard at 337-233-1130.

Sincerely,



Jan Richard
Mayor

CITY OF SCOTT, LOUISIANA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30,2022

Prior Year Findings

A. Internal Control Findings --

2021-001 Inadequate Controls for Safeguarding Assets

Fiscal year finding initially occurred: 2021

Condition

The City did not have proper controls to safeguard street and road repair materials.

Recommendation

The City should monitor controls over the safeguard of assets and access to assets by employees.

Current Status

Resolved.

B. Compliance Findings -

There are no findings to report under this section.

CITY OF SCOTT

Scott, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2022

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Jan-Scott Richard, Mayor,
Members of the Board of Aldermen
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. City of Scott (The City) management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the City's written policies and procedures and observed 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.
 - 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.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - 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).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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.
- 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).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in 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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. We obtained and inspected 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) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observed 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.

Bank Reconciliations

3. We obtained a listing of the City's bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the City's main operating account. We selected the City's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included 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
 - 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.

Collections (excluding electronic fund transfers)

4. We obtained 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. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - 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.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was enforced during the fiscal period.

7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Traced the actual deposit per the bank statement to the general ledger.

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained 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 we observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - 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.
10. For each location selected under #8 above, we obtained the City's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
 - a) We observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

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

12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we obtained supporting documentation, and:
 - a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed 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, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

14. We obtained 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. We randomly selected 5 reimbursements, we obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, we observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. We obtained 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.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) We observed that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g., change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

- 16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
 - a) We observed 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.)
 - b) We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) We observed that any leave accrued or taken during the pay period is reflected in the City's cumulative leave records.
 - d) We observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, we obtained related documentation of the hours and pay rates used in management's termination payment calculations and the City's policy on termination payments. We agreed the hours to the employee or officials' cumulate leave records, agreed the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
- 19. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
 - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) We observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Debt Service

21. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

23. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the City reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the City is domiciled.
24. Observed 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.

Information Technology Disaster Recovery/Business Continuity

25. We performed the following procedures, verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."
 - a) We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), we observed evidence that backups are encrypted before being transported.
 - b) We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - c) We obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly selected 5 computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. We observed the City has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

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

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Bank Reconciliations

- 1. Of the five corresponding bank statements and reconciliations selected, all accounts did not include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks reviewed each bank reconciliation.

Management's response: Management will ensure that corresponding bank statements and reconciliations will be reviewed by a member of management or a board member who does not handle cash, post ledger, or issue checks.

Collections

- 2. Of the ten deposit dates selected, one deposit was not made within one business day of receipt.

Management's response: Management will ensure that collections are deposited within one business day of receipt.

Non-Payroll Related Disbursements

- 3. Of the five disbursements selected, one disbursement did not include evidence of segregation of duties.

Management's response: Management will ensure that at least two employees are involved in initiating a purchase request, approving a purchase, and placing an order.

Sexual Harassment

- 4. The City's sexual harassment policy and complaint procedure is not posted on its website.

Management's response: Management will ensure that the City's sexual harassment policy and complaint procedure is posted on the City's website.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 15, 2022