

CITY OF SCOTT, LOUISIANA

Financial Report

Year Ended June 30, 2019

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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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scott, Louisiana (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scott, Louisiana, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and the schedules of changes in net OPEB liability and related ratios, employer OPEB contributions, employer's share of net pension liability and employer contributions on pages 49 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Scott, Louisiana's basic financial statements. The other supplementary information on pages 59 through 84 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative statements on pages 59, 60, and 78 through 84 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 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 2018 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements from which they have been derived.

The various schedules on pages 61 through 77 included in other supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2019, 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
November 12, 2019

BASIC FINANCIAL STATEMENTS

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

CITY OF SCOTT, LOUISIANA

Statement of Net Position
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 8,720,266	\$ 2,062,620	\$ 10,782,886
Investments	2,288,494	100,480	2,388,974
Receivables, net	545,853	411,210	957,063
Internal balances	(1,903,097)	1,903,097	-
Due from other governmental units	190,833	-	190,833
Prepaid items	59,357	13,871	73,228
Total current assets	<u>9,901,706</u>	<u>4,491,278</u>	<u>14,392,984</u>
Noncurrent assets:			
Restricted assets:			
Interest-bearing deposits	2,096,882	80,462	2,177,344
Investments	-	169,663	169,663
Capital assets:			
Land and construction in progress	8,975,913	2,196,230	11,172,143
Other capital assets, net	<u>14,418,193</u>	<u>11,773,183</u>	<u>26,191,376</u>
Total noncurrent assets	<u>25,490,988</u>	<u>14,219,538</u>	<u>39,710,526</u>
Total assets	<u>35,392,694</u>	<u>18,710,816</u>	<u>54,103,510</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	1,493,411	115,239	1,608,650
Deferred outflows of resources related to net OPEB obligation	259,333	37,819	297,152
Total deferred outflows of resources	<u>1,752,744</u>	<u>153,058</u>	<u>1,905,802</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	1,608,187	196,779	1,804,966
Unearned revenue	60,954	72,425	133,379
DHH water loan payable	-	33,000	33,000
Customers' deposits payable	-	176,739	176,739
Bonds payable	440,000	-	440,000
Accrued interest payable	21,523	8,965	30,488
Total current liabilities	<u>2,130,664</u>	<u>487,908</u>	<u>2,618,572</u>
Noncurrent liabilities:			
Compensated absences payable	38,313	640	38,953
DHH water loan payable	-	698,863	698,863
Bonds payable	7,200,000	-	7,200,000
Net OPEB obligation payable	899,379	131,160	1,030,539
Net pension liability	4,033,095	333,575	4,366,670
Total noncurrent liabilities	<u>12,170,787</u>	<u>1,164,238</u>	<u>13,335,025</u>
Total liabilities	<u>14,301,451</u>	<u>1,652,146</u>	<u>15,953,597</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	311,288	19,069	330,357
NET POSITION			
Net investment in capital assets	14,509,846	13,310,936	27,820,782
Restricted for sales tax dedications	8,080,627	-	8,080,627
Restricted for capital expenditures	638,270	-	638,270
Restricted for debt service	260,112	-	260,112
Unrestricted (deficit)	<u>(956,156)</u>	<u>3,881,723</u>	<u>2,925,567</u>
Total net position	<u>\$ 22,532,699</u>	<u>\$ 17,192,659</u>	<u>\$ 39,725,358</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, 2019

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	\$ 1,309,525	\$ 345,854	\$ -	\$ -	\$ (963,671)	\$ -	\$ (963,671)
Public safety:							
Police	3,415,548	389,874	390,923	-	(2,634,751)	-	(2,634,751)
Fire	572,471	-	-	-	(572,471)	-	(572,471)
Streets	2,283,252	-	14,190	380,162	(1,888,900)	-	(1,888,900)
Culture and tourism	114,461	49,016	-	14,625	(50,820)	-	(50,820)
Interest on long-term debt	266,846	-	-	-	(266,846)	-	(266,846)
Total governmental activities	<u>7,962,103</u>	<u>784,744</u>	<u>405,113</u>	<u>394,787</u>	<u>(6,377,459)</u>	<u>-</u>	<u>(6,377,459)</u>
Business-type activities:							
Gas	486,040	583,482	-	-	-	97,442	97,442
Water	1,535,305	1,329,262	-	8,029	-	(198,014)	(198,014)
Sewer	549,368	605,918	-	-	-	56,550	56,550
Garbage	864,127	871,939	-	-	-	7,812	7,812
Total business-type activities	<u>3,434,840</u>	<u>3,390,601</u>	<u>-</u>	<u>8,029</u>	<u>-</u>	<u>(36,210)</u>	<u>(36,210)</u>
Total	<u>\$ 11,396,943</u>	<u>\$ 4,175,345</u>	<u>\$ 405,113</u>	<u>\$ 402,816</u>	<u>(6,377,459)</u>	<u>(36,210)</u>	<u>(6,413,669)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					253,577	-	253,577
Sales and use taxes, levied for general purposes					6,231,795	-	6,231,795
Franchise taxes					523,945	-	523,945
Grants and contributions not restricted to specific programs -							
State sources					7,652	-	7,652
Non employer pension contribution					98,637	9,902	108,539
Interest and investment earnings					231,171	36,807	267,978
Miscellaneous					28,328	-	28,328
Transfers					826,772	(826,772)	-
Total general revenues and transfers					<u>8,201,877</u>	<u>(780,063)</u>	<u>7,421,814</u>
Change in net position					1,824,418	(816,273)	1,008,145
Net position - June 30, 2018					<u>20,708,281</u>	<u>18,008,932</u>	<u>38,717,213</u>
Net position - June 30, 2019					<u>\$ 22,532,699</u>	<u>\$ 17,192,659</u>	<u>\$ 39,725,358</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 Road 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 Road 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 Fund

Sewer System Construction/Grants Fund -

To account for improvements made to the City's sewerage system using proceeds from various federal and state grants and City funds. This fund is also utilized to account for various other grant projects.

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, 2019

	General	1968 Sales Sales Tax Special Revenue	1984 Sales Sales Tax Special Revenue	Apollo Economic Development District Sales Tax Special Revenue	Sewer System Construction/ Grants	Sales Tax Bonds	Total
ASSETS							
Cash	\$ 154,790	\$ 38,815	\$ 412,642	\$ -	\$ 537,824	\$ -	\$ 1,144,071
Interest-bearing deposits	533,324	2,247,914	3,000,771	1,794,186	1,824,114	272,768	9,673,077
Investments	522,722	1,649,156	116,616	-	-	-	2,288,494
Receivables:							
Taxes	5,274	229,784	229,784	78,387	-	-	543,229
Accrued interest	-	414	414	139	-	-	967
Due from other funds	830,593	-	58,978	1,759,896	441,422	48,819	3,139,708
Due from other governmental units	4,730	-	-	186,103	-	-	190,833
Other	1,657	-	-	-	-	-	1,657
Prepaid items	59,357	-	-	-	-	-	59,357
Total assets	<u>\$ 2,112,447</u>	<u>\$ 4,166,083</u>	<u>\$ 3,819,205</u>	<u>\$ 3,818,711</u>	<u>\$ 2,803,360</u>	<u>\$ 321,587</u>	<u>\$ 17,041,393</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 106,174	\$ 34,996	\$ 12,403	\$ 16,024	\$ -	\$ -	\$ 169,597
Contracts payable	-	510	-	4,328	1,104,360	-	1,109,198
Retainage payable	-	-	-	-	321,165	-	321,165
Accrued liabilities	4,147	1,672	1,860	548	-	-	8,227
Due to other funds	623,566	1,594,366	1,960,100	85,256	739,565	39,952	5,042,805
Unearned revenue	49,645	-	11,309	-	-	-	60,954
Total liabilities	<u>783,532</u>	<u>1,631,544</u>	<u>1,985,672</u>	<u>106,156</u>	<u>2,165,090</u>	<u>39,952</u>	<u>6,711,946</u>
Fund balances -							
Nonspendable (prepaid items)	59,357	-	-	-	-	-	59,357
Restricted - sales tax dedications	-	2,534,539	1,833,533	3,712,555	-	-	8,080,627
Restricted - capital expenditures	-	-	-	-	638,270	-	638,270
Restricted - debt service	-	-	-	-	-	281,635	281,635
Unassigned	1,269,558	-	-	-	-	-	1,269,558
Total fund balances	<u>1,328,915</u>	<u>2,534,539</u>	<u>1,833,533</u>	<u>3,712,555</u>	<u>638,270</u>	<u>281,635</u>	<u>10,329,447</u>
Total liabilities and fund balances	<u>\$ 2,112,447</u>	<u>\$ 4,166,083</u>	<u>\$ 3,819,205</u>	<u>\$ 3,818,711</u>	<u>\$ 2,803,360</u>	<u>\$ 321,587</u>	<u>\$ 17,041,393</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, 2019

Total fund balances for governmental funds at June 30, 2019		\$ 10,329,447
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 1,532,674	
Construction in progress	7,443,239	
Buildings and improvements, net of \$1,959,870 accumulated depreciation	4,797,259	
Infrastructure, net of \$12,523,726 accumulated depreciation	8,643,768	
Equipment, furniture, and fixtures net of \$2,431,032 accumulated depreciation	<u>977,166</u>	23,394,106
The deferred outflows of expenditures for the municipal and police employees retirement systems and net OPEB obligation are not a use of current resources, and therefore, are not reported in the funds		1,752,744
Long-term liabilities at June 30, 2019:		
Accrued interest payable	(21,523)	
Bonds payable	(7,640,000)	
Compensated absences	(38,313)	
Net OPEB obligation	(899,379)	
Net pension payable	<u>(4,033,095)</u>	(12,632,310)
The deferred inflows of contributions for the municipal and police employees retirement systems and net OPEB obligation are not available resources, and therefore, are not reported in the funds		<u>(311,288)</u>
Total net position of governmental activities at June 30, 2019		<u>\$22,532,699</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, 2019

	General	1968 Sales Sales Tax Special Revenue	1984 Sales Sales Tax Special Revenue	Apollo Economic Development District Sales Tax Special Revenue	Sewer System Construction/ Grants	Sales Tax Bonds	Total
Revenues:							
Taxes	\$ 777,522	\$ 2,684,126	\$ 2,684,126	\$ 863,543	\$ -	\$ -	\$ 7,009,317
Licenses and permits	345,854	-	-	-	-	-	345,854
Intergovernmental	444,822	30,551	-	-	3,716	-	479,089
Fines and forfeits	389,874	-	-	-	-	-	389,874
Miscellaneous	100,253	73,329	194,515	21,882	400,346	3,603	793,928
Total revenues	<u>2,058,325</u>	<u>2,788,006</u>	<u>2,878,641</u>	<u>885,425</u>	<u>404,062</u>	<u>3,603</u>	<u>9,018,062</u>
Expenditures:							
Current -							
General government	1,081,237	43,719	48,709	6,568	-	-	1,180,233
Public safety:							
Police	2,764,237	-	-	-	-	-	2,764,237
Fire	-	-	571,844	-	-	-	571,844
Streets	812,729	332,770	120,633	-	-	-	1,266,132
Culture and tourism	80,986	-	-	-	-	-	80,986
Capital outlay	399,910	109,708	199,192	588,640	5,864,153	-	7,161,603
Debt service -							
Principal retirement	-	-	-	-	-	425,000	425,000
Interest and agent fees	-	-	-	-	-	267,909	267,909
Total expenditures	<u>5,139,099</u>	<u>486,197</u>	<u>940,378</u>	<u>595,208</u>	<u>5,864,153</u>	<u>692,909</u>	<u>13,717,944</u>
Excess (deficiency) of revenues over expenditures	<u>(3,080,774)</u>	<u>2,301,809</u>	<u>1,938,263</u>	<u>290,217</u>	<u>(5,460,091)</u>	<u>(689,306)</u>	<u>(4,699,882)</u>
Other financing sources (uses):							
Transfers in	3,163,500	75,419	-	27,170	-	697,336	3,963,425
Transfers out	-	(973,162)	(1,722,168)	(365,904)	(75,419)	-	(3,136,653)
Total other financing sources (uses)	<u>3,163,500</u>	<u>(897,743)</u>	<u>(1,722,168)</u>	<u>(338,734)</u>	<u>(75,419)</u>	<u>697,336</u>	<u>826,772</u>
Net changes in fund balances	82,726	1,404,066	216,095	(48,517)	(5,535,510)	8,030	(3,873,110)
Fund balances, beginning	<u>1,246,189</u>	<u>1,130,473</u>	<u>1,617,438</u>	<u>3,761,072</u>	<u>6,173,780</u>	<u>273,605</u>	<u>14,202,557</u>
Fund balances, ending	<u>\$ 1,328,915</u>	<u>\$ 2,534,539</u>	<u>\$ 1,833,533</u>	<u>\$ 3,712,555</u>	<u>\$ 638,270</u>	<u>\$ 281,635</u>	<u>\$ 10,329,447</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, 2019

Total net changes in fund balances at June 30, 2019 per statement of revenues, expenditures and changes in fund balances	\$(3,873,110)
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The change in net position reported for governmental activities in the
statement of activities is different because:

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

Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 6,685,684	
Depreciation expense for the year ended June 30, 2019	(905,381)	
Proceeds from sales of capital assets	(156,950)	
Loss on disposal of assets	<u>(26,737)</u>	5,596,616

Bond principal retirement considered as an expenditure on the statement of revenues, expenditures, and changes in fund balances whereas the payment reduces the balance of bonds payable on the statement of net position	425,000
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Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	1,063
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Change in compensated absences at June 30, 2019 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure	(8,795)
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Pension expense not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure	(346,811)
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Nonemployer's contributions to the municipal employees and the police employees pension plans	98,637
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Change in net OPEB obligation at June 30, 2019 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure	<u>(68,182)</u>
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Total changes in net position at June 30, 2019 per statement of activities	<u>\$ 1,824,418</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, 2019

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,062,620
Investments	100,480
Receivables:	
Accounts	288,649
Unbilled utility receivables	119,014
Accrued interest receivable	3,547
Due from other funds	1,959,137
Prepaid items	13,871
Total current assets	<u>4,547,318</u>
Noncurrent assets:	
Restricted assets -	
Interest-bearing deposits	80,462
Investments	169,663
Capital assets -	
Land and construction in progress	2,196,230
Other capital assets, net of accumulated depreciation	11,773,183
Total noncurrent assets	<u>14,219,538</u>
Total assets	<u>18,766,856</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	115,239
Deferred outflows of resources related to net OPEB obligation	37,819
Total deferred outflows of resources	<u>153,058</u>
LIABILITIES	
Current liabilities:	
Accounts payable	195,402
Accrued liabilities	1,377
Unearned revenue	72,425
DHH water loan payable	33,000
Customers' deposits payable	176,739
Due to other funds	56,040
Accrued interest payable	8,965
Total current liabilities	<u>543,948</u>
Noncurrent liabilities:	
Compensated absences payable	640
DHH water loan payable	698,863
Net OPEB obligation payable	131,160
Net pension liability	333,575
Total noncurrent liabilities	<u>1,164,238</u>
Total liabilities	<u>1,708,186</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	19,069
NET POSITION	
Net investment in capital assets	13,310,936
Unrestricted	3,881,723
Total net position	<u>\$ 17,192,659</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, 2019

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 521,854
Water service charges	1,290,301
Sewer service charges	590,374
Garbage service charges	861,939
Penalties, permits and connection fees	<u>126,133</u>
Total operating revenues	<u>3,390,601</u>
Operating expenses:	
Salaries	316,572
Retirement	59,375
OPEB benefit	(47,926)
Disposal charges	2,490
Gas and water purchases	1,141,452
Garbage collection fees	864,127
Supplies and repairs	227,793
Utilities and telephone	53,613
Professional fees	29,956
General insurance	68,553
Group health insurance	61,264
Office expense	12,045
Payroll taxes	23,735
Truck expenses	12,792
Training	23,062
Uniforms	3,717
Bad debts	40,455
Depreciation expense	513,092
Miscellaneous	<u>523</u>
Total operating expenses	<u>3,406,690</u>
Operating loss	<u>(16,089)</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, 2019

	<u>Enterprise Fund</u>
Nonoperating revenues (expenses):	
Nonemployer pension contribution	9,902
Interest income	36,807
Interest expense	<u>(28,150)</u>
Total nonoperating revenues (expenses)	<u>18,559</u>
Income before capital contributions and transfers	<u>2,470</u>
Capital contributions	<u>8,029</u>
Transfers:	
Transfers in	1,463,228
Transfers out	<u>(2,290,000)</u>
Total transfers	<u>(826,772)</u>
Change in net position	(816,273)
Net position, beginning	<u>18,008,932</u>
Net position, ending	<u>\$ 17,192,659</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, 2019

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$3,430,573
Payments to suppliers	(2,529,807)
Payments to employees	<u>(393,918)</u>
Net cash provided by operating activities	<u>506,848</u>
Cash flows from noncapital financing activities:	
Cash received from other funds	59,956
Net change in meter deposits	(12,960)
Transfers from other funds	1,463,228
Transfers to other funds	<u>(2,290,000)</u>
Net cash used by noncapital financing activities	<u>(779,776)</u>
Cash flows from capital and related financing activities:	
Proceeds from DHH water loan	32,115
Payment on DHH water loan	(31,000)
Interest on DHH water loan	(17,819)
Payment of capital lease	(28,081)
Interest on capital lease	(1,366)
Capital contributions	8,029
Acquisition of property, plant and equipment	<u>(279,762)</u>
Net cash used by capital and related financing activities	<u>(317,884)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	1,998,138
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(2,040,630)
Interest on investments	<u>36,066</u>
Net cash used by investing activities	<u>(6,426)</u>
Net decrease in cash and cash equivalents	(597,238)
Cash and cash equivalents, beginning of period	<u>969,833</u>
Cash and cash equivalents, end of period	<u>\$ 372,595</u>

(continued)

CITY OF SCOTT, LOUISIANA

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended June 30, 2019

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (16,089)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	513,092
Pension and OPEB expense	(28,824)
Provision for uncollectible accounts	339
Changes in current assets and liabilities:	
Decrease in accounts receivable	23,318
Decrease in unbilled utility receivables	17,065
Decrease in prepaid items	3,899
Decrease in accounts payable	(4,813)
Decrease in accrued liabilities	(1,294)
Increase in unearned revenue	750
Decrease in compensated absences payable	(595)
Net cash provided by operating activities	<u>\$ 506,848</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	2,615,979
Interest-bearing deposits - restricted	88,005
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,734,151)</u>
Total cash and cash equivalents, beginning of period	<u>969,833</u>
 Cash and cash equivalents, end of period -	
Interest-bearing deposits - unrestricted	2,062,620
Interest-bearing deposits - restricted	80,462
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,770,487)</u>
Total cash and cash equivalents, end of period	<u>372,595</u>
 Net decrease in cash and cash equivalents	<u>\$ (597,238)</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)

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. Debt service is financed from the collection of the City's 1984 1% sales tax and the Apollo Economic Development District sales tax.

Capital Projects Fund –

Sewer System Construction/Grants Fund –

The Sewer System Construction/Grants Fund is used to account for improvements made to the City's Sewerage System using proceeds from federal and state grants and City funds. This fund is also utilized to account for various other grant projects.

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.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Measurement Focus

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

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

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

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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 \$19,216 at June 30, 2019. 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.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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, 2019, the City has \$38,953 of noncurrent accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences".

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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. At June 30, 2019, the City's deferred inflows and outflows of resources are attributable to its pension plans and other postemployment benefit plan.

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.
- 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.

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
Gas, water and sewer revenue	Utility operations

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

G. Capitalization of Interest Expense

It is the policy of the City of Scott to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At June 30, 2019, there was no interest expense paid for assets under construction and, therefore, no capitalized interest expense was recorded on the books.

H. 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(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, 2019, taxes were levied by the City in July 2018 and were billed to taxpayers by the Assessor in November 2018. 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, 2019, taxes of 3.11 mills were levied on property with assessed valuations totaling \$81,535,744 and were dedicated to general corporate purposes. Total taxes levied were \$253,577. Taxes receivable at June 30, 2019 was \$5,274, 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 (2019 collections \$2,684,126) 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 (2019 collections \$2,684,126) 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 (2019 collections \$863,543) 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, 2019, the City had cash and interest-bearing deposits (book balances) totaling \$12,960,230 as follows:

Demand deposits	\$ 1,412,201
Money market accounts	6,914,880
Time deposits	<u>4,633,149</u>
Total	<u>\$ 12,960,230</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, 2019, are secured as follows:

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Bank balances	<u>\$ 14,645,800</u>
Federal deposit insurance	\$ 750,000
Pledged securities	<u>13,895,800</u>
Total	<u>\$ 14,645,800</u>

Deposits in the amount of \$13,895,800 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, 2019, investments in LAMP amounted to \$2,558,637.

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 60 days as of June 30, 2018.
- 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, 2019 of \$957,063 consist of the following:

	<u>General</u>	<u>1968 Sales Tax</u>	<u>1984 Sales Tax</u>	<u>Apollo EDD Sales Tax</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ -	\$ -	\$ 288,649	\$ 288,649
Unbilled utility	-	-	-	-	119,014	119,014
Taxes:						
Ad valorem	5,274	-	-	-	-	5,274
Sales tax	-	229,784	229,784	78,387	-	537,955
Interest	-	414	414	139	3,547	4,514
Other	1,657	-	-	-	-	1,657
Totals	<u>\$ 6,931</u>	<u>\$ 230,198</u>	<u>\$ 230,198</u>	<u>\$ 78,526</u>	<u>\$ 411,210</u>	<u>\$ 957,063</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2019 consisted of the following:

General Fund:

Amount due from the State of Louisiana Department of Transportation for grass cutting grant for the fiscal year ended June 30, 2019 \$ 4,730

Apollo Road Economic Development District Sales Tax Fund:

Amount due from Facility Planning and Control for reimbursement of expenditures for Apollo Road Extension water and sewer line installation 186,103

Total \$ 190,833

(7) Restricted Assets

Restricted assets in the governmental funds at June 30, 2019 consisted of bond proceeds restricted for capital expenditures in the amount of \$1,824,114 and \$272,768 restricted for debt service payments. Restricted assets in the proprietary fund at June 30, 2019 consisted of a construction fund for an automatic water meter project of \$73,386 and amounts owed to customers for utility deposits in the amount of \$176,739.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

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

	Balance 06/30/18	Additions	Deletions	Balance 06/30/19
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,352,261	\$ 230,413	\$ 50,000	\$ 1,532,674
Construction in progress	1,969,411	5,855,699	381,871	7,443,239
Other capital assets:				
Buildings and improvements	6,754,566	2,563	-	6,757,129
Infrastructure	20,768,450	399,044	-	21,167,494
Equipment, furniture and fixtures	3,378,007	579,836	549,645	3,408,198
Totals	<u>34,222,695</u>	<u>7,067,555</u>	<u>981,516</u>	<u>40,308,734</u>
Less accumulated depreciation				
Buildings and improvements	1,777,835	182,035	-	1,959,870
Infrastructure	12,047,689	476,037	-	12,523,726
Equipment, furniture and fixtures	2,599,681	247,309	415,958	2,431,032
Total accumulated depreciation	<u>16,425,205</u>	<u>905,381</u>	<u>415,958</u>	<u>16,914,628</u>
Governmental activities, capital assets, net	<u>\$ 17,797,490</u>	<u>\$ 6,162,174</u>	<u>\$ 565,558</u>	<u>\$23,394,106</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 50,420	\$ -	\$ -	\$ 50,420
Construction in progress - water and sewer systems projects	2,294,711	142,098	291,000	2,145,809
Other capital assets:				
Gas system	1,070,698	-	-	1,070,698
Water system	7,916,565	364,792	-	8,281,357
Sewer system	10,549,431	-	-	10,549,431
Machinery and equipment	719,558	63,872	15,278	768,152
Totals	<u>22,601,383</u>	<u>570,762</u>	<u>306,278</u>	<u>22,865,867</u>
Less accumulated depreciation				
Gas system	896,750	20,615	-	917,365
Water system	2,578,248	201,848	-	2,780,096
Sewer system	4,522,877	232,910	-	4,755,787
Machinery and equipment	400,765	57,719	15,278	443,206
Total accumulated depreciation	<u>8,398,640</u>	<u>513,092</u>	<u>15,278</u>	<u>8,896,454</u>
Business-type activities, capital assets, net	<u>\$ 14,202,743</u>	<u>\$ 57,670</u>	<u>\$ 291,000</u>	<u>\$13,969,413</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 67,645
Police	246,715
Fire	627
Streets	556,919
Culture and recreation	<u>33,475</u>
Total depreciation expense	<u>\$ 905,381</u>

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

Gas	\$ 20,615
Water	201,848
Sewer	<u>290,629</u>
Total depreciation expense	<u>\$ 513,092</u>

(9) Accounts and Other Payables

The accounts and other payables of \$1,804,966 consisted of the following at June 30, 2019:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 169,597	\$ 195,402	\$ 364,999
Contracts	1,109,198	-	1,109,198
Retainage	321,165	-	321,165
Accrued liabilities	<u>8,227</u>	<u>1,377</u>	<u>9,604</u>
Totals	<u>\$ 1,608,187</u>	<u>\$ 196,779</u>	<u>\$ 1,804,966</u>

(10) Changes in Long-Term Liabilities

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2019:

	<u>Long-Term Debt</u>			<u>Other Liabilities</u>
	<u>General Obligation Bonds</u>	<u>Capital Lease</u>	<u>DHH Water Loan Payable</u>	<u>Compensated Absences</u>
Long-term debt as of July 1, 2018	\$ 8,065,000	\$ 28,081	\$ 730,748	\$ 30,753
Additions	-	-	32,115	11,409
Retirements	<u>(425,000)</u>	<u>(28,081)</u>	<u>(31,000)</u>	<u>(3,209)</u>
Long-term debt as of June 30, 2019	<u>\$ 7,640,000</u>	<u>\$ -</u>	<u>\$ 731,863</u>	<u>\$ 38,953</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term debt payable at June 30, 2019 is comprised of the following:

Governmental activities:

	<u>Current</u>
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	\$ 7,640,000 \$ 440,000

Business-type activities:

DHH water loan payable -	
Loan from the Louisiana Department of Health and Hospitals; interest at 1.95%; payable from utility system revenues. The balance through June 30, 2018 is net of a 20% debt forgiveness.	\$ 731,863 \$ 33,000

During the fiscal year ended June 30, 2019, the City borrowed \$32,115 (net of \$8,029 which was forgiven) from the Louisiana Department of Health and Hospitals, resulting in a loan balance of \$731,863 at June 30, 2019. The loan is an interim loan to finance the costs of an automated water meter project. Upon completion of the project, the City will issue taxable water revenue bonds for permanent financing of the project.

The debt is due as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2020	\$ 440,000	\$ 251,676	\$ 33,000	\$ 17,527
2021	455,000	238,251	34,000	16,706
2022	470,000	224,376	34,000	15,873
2023	485,000	210,051	35,000	15,027
2024	500,000	195,276	36,000	14,157
2025 - 2029	2,750,000	719,318	195,000	56,886
2030 - 2033	2,540,000	199,692	220,000	31,465
2030 - 2033	-	-	144,863	5,395
Total	<u>\$ 7,640,000</u>	<u>\$ 2,038,640</u>	<u>\$ 731,863</u>	<u>\$ 173,036</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Flow of Funds; Restrictions on Use – 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.

The City of Scott was in compliance with all significant limitations and restrictions in the bond indenture as of June 30, 2019.

(12) Unearned Revenue

Unearned revenue at June 30, 2019 consists of the following:

Governmental activities:

General Fund -

Amount received from Entergy, for weatherization of citizens' homes, which has not yet been spent as of June 30, 2019.	\$ 2,839
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Amount received from unsettled police narcotics cases as of June 30, 2019.	<u>46,806</u>
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Total General Fund	49,645
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1984 Sales Tax Fund -

Insurance proceeds received for the damage to an excavator which will be recognized when it is sold	<u>11,309</u>
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Total governmental activities	60,954
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Business-type activities: Utility Fund -

Amount billed in June 2019 for garbage service revenues for July 2019	<u>72,425</u>
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Total unearned revenue	<u>\$ 133,379</u>
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CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) Post Retirement 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.

Employees covered by benefit terms – At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>44</u>
Total	<u>53</u>

Total OPEB Liability

The City’s total OPEB liability of \$1,030,539 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2019 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	3.5%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2019.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Changes in the Total OPEB Liability

OPEB liability at June 30, 2018	\$ 720,068
Changes for the year:	
Service Cost	13,592
Interest	27,036
Differences between expected and actual experience	261,792
Changes of assumptions	51,000
Benefit payments and net transfers	<u>(42,949)</u>
Net changes	<u>310,471</u>
OPEB liability at June 30, 2019	<u>\$ 1,030,539</u>
Covered employee payroll	<u>\$ 2,281,881</u>
Net OPEB liability has a percentage of covered employee payroll	45.2%

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 (2.5%) or 1-percentage-point higher (4.5%) than the current discount rate:

	1% <u>Decrease</u>	Current <u>Discount Rate</u>	1% <u>Increase</u>
Total OPEB liability	<u>\$ 1,191,485</u>	<u>\$ 1,030,539</u>	<u>\$ 900,338</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 (2.5%) or 1-percentage-point higher (4.5%) than the current healthcare trend rates:

	1% <u>Decrease</u>	Current <u>Trend</u>	1% <u>Increase</u>
Total OPEB liability	<u>\$ 899,978</u>	<u>\$ 1,030,539</u>	<u>\$ 1,190,028</u>

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$20,256. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	<u>\$ 297,152</u>	<u>\$ -</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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>	
2020	\$ 15,640
2021	15,640
2022	15,640
2023	15,640
2024	15,640
Thereafter	<u>218,952</u>
Total	<u>\$297,152</u>

(14) Pension Plans

The City participates in two 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.

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.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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%.

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, 2019 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%	14.00%	\$ 30,944	\$ 125,811
MPERS	10.00%	32.25%	77,595	390,249

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Net Pension Liability

The City's net pension liability at June 30, 2019 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, 2018 for both 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	\$1,042,423	1.232423%	0.052433%
MPERS	3,324,247	0.393213%	0.073576%
Total	<u>\$4,366,670</u>		

Since the measurement date of the net pension liability was June 30, 2018, 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. The financial report for each plan may be accessed on their website as follows:

- MERS - <http://www.mersla.com/>
- MPERS - <http://lampers.org/>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 primary government is a participating employer:

Date of experience study on which significant assumptions are based	7/1/2009 - 6/30/2014	7/1/2009 - 6/30/2014
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	7.275%, net of investment expense	7.200%, net of investment expense
Expected remaining service lives	3	4
Inflation rate	2.6%	2.6%
Projected salary increases	5.0%	4.25% - 9.75%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(3), (4), (5)

- (1) RP-2000 Employee Table for active members set back 2 years for males and females
- (2) RP-2000 Healthy Annuitant Table set forward 2 years and projected to 2028 for males using Scale AA for males and set forward 1 year and projected to 2028 using Scale AA for females
- (3) RP-2000 Disabled Lives Mortality Table for disabled annuitants set back 5 years for males and 3 years for females
- (4) RP-2000 Sex Distinct Employee Table set back 4 years for males and set back 3 years for females
- (5) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table Projected to 2029 for males using Scale AA and set back 1 year and Projected to 2029 for females using Scale AA

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.

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (MERS and MPERS) 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.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 7.275%, a decrease of 0.125% from the prior valuation. The discount rate used to measure the total pension liability for MPERS was 7.200%, a decrease of 0.125% from the prior valuation.

Long-term Rate of Return

For MERS and MPERS, 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	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	35%	1.50%	22%	0.46%
Public Equity	50%	2.20%	52%	3.58%
Alternative Investments	15%	0.60%	20%	1.07%
Other	-	-	6%	0.17%
Totals	<u>100%</u>	<u>4.30%</u>	<u>100%</u>	<u>5.28%</u>
Inflation		<u>2.70%</u>		<u>2.75%</u>
Expected nominal return		<u>7.00%</u>		<u>8.03%</u>

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, 2019, the City recognized \$226,811 and \$655,433 in pension expense related to the MERS and MPERS defined benefit plans, respectively.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

At June 30, 2019, 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	Total
Difference between expected and actual experience	\$ 2,793	\$ 14,986	\$ 17,779
Changes of assumptions	39,008	217,238	256,246
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	23,039	466,469	489,508
Net differences between projected and actual earnings on plan investments	169,429	159,357	328,786
Contributions subsequent to the measurement date	125,800	390,531	516,331
Total	<u>\$ 360,069</u>	<u>\$ 1,248,581</u>	<u>\$ 1,608,650</u>

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 46,950	\$ 169,876	\$ 216,826
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	12,642	100,889	113,531
Total	<u>\$ 59,592</u>	<u>\$ 270,765</u>	<u>\$ 330,357</u>

Deferred outflows of resources of \$516,331 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, 2019. 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	MERS	MPERS	Total
<u>June 30</u>			
2020	\$ 94,711	\$ 254,985	\$ 349,696
2021	59,347	274,687	334,034
2022	15,363	51,825	67,188
2023	5,256	5,788	11,044
Total	<u>\$ 174,677</u>	<u>\$ 587,285</u>	<u>\$ 761,962</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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	7.275%	\$ 1,368,052	\$ 1,042,423	\$ 765,609
MPERS	7.200%	4,671,487	3,324,247	2,193,964
Total		<u>\$ 6,039,539</u>	<u>\$ 4,366,670</u>	<u>\$ 2,959,573</u>

Payables to the Pension Plans

At June 30, 2019, the City had no contractually required contributions payable to MERS and MPERS for the month of June 2019.

(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 years ending June 30, 2019 and 2018 amounted to \$224,891 and \$210,168, respectively.

(16) On-Behalf Payment of Salaries

The State of Louisiana paid the City's policemen and firemen \$152,610 of supplemental pay during the year ended June 30, 2019. Such payments are recorded as intergovernmental revenues and public safety and general government expenditures in the government-wide and General Fund financial statements.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(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, 2019 in the amount of \$145,498, of which \$8,954 was owed for purchases for the month of June 2019.
- 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, 2019 in the amount of \$995,954, of which \$79,494 was owed for purchases for the month of June 2019.

(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, 2019 is as follows:

	Gas Department	Water Department	Sewerage Department	Garbage Department	Total Enterprise Fund
Operating revenues	\$ 583,482	\$ 1,329,262	\$ 605,918	\$ 871,939	\$ 3,390,601
Operating expenses:					
Depreciation	20,615	201,848	290,629	-	513,092
Other	465,425	1,305,307	258,739	864,127	2,893,598
Total operating expenses	486,040	1,507,155	549,368	864,127	3,406,690
Operating income (loss)	\$ 97,442	\$ (177,893)	\$ 56,550	\$ 7,812	\$ (16,089)

(19) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2019 follows:

Purvis Morrison, Mayor (7/1/18 - 12/31/18)	\$ 40,078
Jan-Scott Richard, Mayor (1/1/19 - 6/30/19)	40,078
Aldermen:	
Jan-Scott Richard (7/1/18 - 12/31/18)	8,241
Troy Bergeron (1/1/19 - 6/30/19)	14,128
Doyle Boudreaux (7/1/18 - 6/30/19)	11,775
Danny Hollier (7/1/18 - 6/30/19)	11,775
Terry Montoucet (7/1/18 - 6/30/19)	11,775
Kenneth Suire (1/1/19 - 6/30/19)	5,888
Total	\$ 143,738

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

The schedule of compensation, benefits, and other payments to Purvis Morrison, Mayor, and Jan-Scott Richard, Mayor, for the year ended June 30, 2019 follows:

	<u>Purvis Morrison</u> <u>7/1/18 - 12/31/18</u>	<u>Jan-Scott Richard</u> <u>1/1/19 - 6/30/19</u>
Salary	\$ 40,078	\$ 40,078
Benefits - insurance	3,798	4,100
Car allowance	3,600	3,600
Cell phone	1,401	-
Auto expense	1,465	921
Conference travel	517	3,094
Special meals	163	-
Total	<u>\$ 51,022</u>	<u>\$ 51,793</u>

(21) Interfund Transactions

A. Receivables and Payables

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

	<u>Due from</u> <u>Other Funds</u>	<u>Due to</u> <u>Other Funds</u>
Major funds:		
Governmental funds -		
General Fund	\$ 830,593	\$ 623,566
1968 Sales Tax Special Revenue Fund	-	1,594,366
1984 Sales Tax Special Revenue Fund	58,978	1,960,100
Apollo EDD Sales Tax Special Revenue Fund	1,759,896	85,256
Sewer System Construction/Grants Capital Projects Fund	441,422	739,565
Sales Tax Bonds Fund	48,819	39,952
Proprietary Fund -		
Enterprise Fund	<u>1,959,137</u>	<u>56,040</u>
Total	<u>\$ 5,098,845</u>	<u>\$ 5,098,845</u>

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Transfers

Interfund transfers consisted of the following at June 30, 2019:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
Governmental funds -		
General Fund	\$ 3,163,500	\$ -
1968 Sales Tax Special Revenue Fund	75,419	973,162
1984 Sales Tax Special Revenue Fund	-	1,722,168
Apollo EDD Sales Tax Special Revenue Fund	27,170	365,904
Sewer System Construction/Grants Fund	-	75,419
Sales Tax Bonds Fund	697,336	-
Proprietary Fund -		
Enterprise Fund	<u>1,463,228</u>	<u>2,290,000</u>
Total	<u>\$ 5,426,653</u>	<u>\$ 5,426,653</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.

(22) Litigation and Claims

At June 30, 2019, 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.

(23) 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.

Prior to March 1, 2019, the risk of loss for group health insurance was handled by purchasing commercial insurance coverage. Effective March 1, 2019, the City established a limited risk management program for group hospitalization, which is administered by a third-party administrator. The City deposits monthly insurance premiums into the City of Scott Employee Benefit Plan Trust. If at any time the Trust does not have sufficient funds to pay claims, the City's excess loss policy funds the difference. Due to immateriality, the balance in the trust fund was not recorded at June 30, 2019.

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. At June 30, 2019, the reduction in the City's ad valorem revenues as a result of these abatements was not considered material.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 797,100	\$ 777,589	\$ 777,522	\$ (67)
Licenses and permits	263,500	335,054	345,854	10,800
Intergovernmental	468,473	441,325	444,822	3,497
Fines and forfeits	298,100	388,458	389,874	1,416
Miscellaneous	<u>43,000</u>	<u>91,007</u>	<u>100,253</u>	<u>9,246</u>
Total revenues	<u>1,870,173</u>	<u>2,033,433</u>	<u>2,058,325</u>	<u>24,892</u>
Expenditures:				
General government:	989,131	1,057,785	1,081,237	(23,452)
Public safety:				
Police	2,979,659	2,739,716	2,764,237	(24,521)
Streets	817,319	789,919	812,729	(22,810)
Culture and tourism	56,834	82,575	80,986	1,589
Capital outlay	<u>123,492</u>	<u>373,344</u>	<u>399,910</u>	<u>(26,566)</u>
Total expenditures	<u>4,966,435</u>	<u>5,043,339</u>	<u>5,139,099</u>	<u>(95,760)</u>
Deficiency of revenues over expenditures	(3,096,262)	(3,009,906)	(3,080,774)	(70,868)
Other financing sources:				
Transfers in	<u>3,163,500</u>	<u>3,163,500</u>	<u>3,163,500</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	67,238	153,594	82,726	(70,868)
Fund balance, beginning	<u>1,246,189</u>	<u>1,246,189</u>	<u>1,246,189</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,313,427</u>	<u>\$ 1,399,783</u>	<u>\$ 1,328,915</u>	<u>\$ (70,868)</u>

CITY OF SCOTT, LOUISIANA
1968 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,355,000	\$ 2,694,864	\$ 2,684,126	\$ (10,738)
Intergovernmental	-	30,000	30,551	551
Miscellaneous - interest	31,000	62,577	73,329	10,752
Total revenues	<u>2,386,000</u>	<u>2,787,441</u>	<u>2,788,006</u>	<u>565</u>
Expenditures:				
General government	35,000	46,870	43,719	3,151
Streets	202,326	327,088	332,770	(5,682)
Capital outlay	161,200	108,366	109,708	(1,342)
Total expenditures	<u>398,526</u>	<u>482,324</u>	<u>486,197</u>	<u>(3,873)</u>
Excess of revenues over expenditures	<u>1,987,474</u>	<u>2,305,117</u>	<u>2,301,809</u>	<u>(3,308)</u>
Other financing sources (uses):				
Transfers in	-	75,419	75,419	-
Transfers out	(1,907,455)	(945,992)	(973,162)	(27,170)
Total other financing sources (uses)	<u>(1,907,455)</u>	<u>(870,573)</u>	<u>(897,743)</u>	<u>(27,170)</u>
Excess of revenues and other financing sources over expenditures and other uses	80,019	1,359,125	1,328,647	(30,478)
Fund balances, beginning	<u>1,130,473</u>	<u>1,130,473</u>	<u>1,130,473</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,210,492</u>	<u>\$ 2,489,598</u>	<u>\$ 2,459,120</u>	<u>\$ (30,478)</u>

CITY OF SCOTT, LOUISIANA
1984 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$2,355,000	\$2,694,864	\$ 2,684,126	\$ (10,738)
Miscellaneous -				
Equipment refund	-	138,000	148,292	10,292
Interest	<u>31,000</u>	<u>44,235</u>	<u>46,223</u>	<u>1,988</u>
Total revenues	<u>2,386,000</u>	<u>2,877,099</u>	<u>2,878,641</u>	<u>1,542</u>
Expenditures:				
General government	35,000	41,767	48,709	(6,942)
Public safety:				
Fire	586,703	566,694	571,844	(5,150)
Streets	119,353	138,176	120,633	17,543
Capital outlay	<u>65,000</u>	<u>198,204</u>	<u>199,192</u>	<u>(988)</u>
Total expenditures	<u>806,056</u>	<u>944,841</u>	<u>940,378</u>	<u>4,463</u>
Excess of revenues over expenditures	1,579,944	1,932,258	1,938,263	6,005
Other financing uses:				
Transfers to other funds	<u>(1,722,169)</u>	<u>(1,722,168)</u>	<u>(1,722,168)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	(142,225)	210,090	216,095	6,005
Fund balances, beginning	<u>1,617,438</u>	<u>1,617,438</u>	<u>1,617,438</u>	<u>-</u>
Fund balances, ending	<u>\$1,475,213</u>	<u>\$1,827,528</u>	<u>\$ 1,833,533</u>	<u>\$ 6,005</u>

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

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 793,000	\$ 817,975	\$ 863,543	\$ 45,568
Miscellaneous	50,000	35,405	21,882	(13,523)
Total revenues	<u>5,200,097</u>	<u>853,380</u>	<u>885,425</u>	<u>32,045</u>
Expenditures:				
General government -				
Collection fees	6,000	6,883	6,568	315
Capital outlay	<u>6,058,822</u>	<u>610,682</u>	<u>588,640</u>	<u>22,042</u>
Total expenditures	<u>6,064,822</u>	<u>617,565</u>	<u>595,208</u>	<u>22,357</u>
Excess of revenues over expenditures	<u>(864,725)</u>	<u>235,815</u>	<u>290,217</u>	<u>54,402</u>
Other financing sources (uses):				
Transfers in	-	-	27,170	27,170
Transfers out	<u>(1,626,144)</u>	<u>(365,904)</u>	<u>(365,904)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,626,144)</u>	<u>(365,904)</u>	<u>(338,734)</u>	<u>27,170</u>
Deficiency of revenues and other financing sources over expenditures and other uses	(2,490,869)	(130,089)	(48,517)	81,572
Fund balances, beginning	<u>3,761,072</u>	<u>3,761,072</u>	<u>3,761,072</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,270,203</u>	<u>\$ 3,630,983</u>	<u>\$ 3,712,555</u>	<u>\$ 81,572</u>

CITY OF SCOTT, LOUISIANA

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability:		
Service Cost	\$ 13,592	\$ 12,839
Interest	27,036	26,488
Changes of benefit terms	-	-
Differences between expected and actual experience	261,792	7,348
Changes of assumptions	51,000	-
Benefit payments	<u>(42,949)</u>	<u>(21,956)</u>
Net changes	310,471	24,719
Total OPEB liability - beginning	<u>720,071</u>	<u>695,352</u>
Total OPEB liability - ending	1,030,542	720,071
Plan Fiduciary Net Position	<u>-</u>	<u>-</u>
Net OPEB liability	<u>\$ 1,030,542</u>	<u>\$ 720,071</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%
Covered employee payroll	<u>2,281,881</u>	<u>2,432,936</u>
Net OPEB liability as a percentage of covered-employee payroll	45.2%	29.6%

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

CITY OF SCOTT, LOUISIANA

Schedule of Employer OPEB Contributions
For the Year Ended June 30, 2019

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2019	\$ 54,579	\$ 42,949	11,630	\$ 2,281,881	1.88%
2018	29,361	21,956	7,405	2,432,936	0.90%

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

CITY OF SCOTT, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2019*

<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 Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
MERS	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	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%

* 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.

CITY OF SCOTT, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2019

<u>Plan</u>	<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
MERS	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	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%

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

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 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 – There were no changes of assumptions.
- c) Changes in the discount rate – The discount rate at June 30, 2019 is 3.5%, a decrease of .37% from the prior year.

OTHER SUPPLEMENTARY INFORMATION

CITY OF SCOTT, LOUISIANA

Statement of Net Position

June 30, 2019

With Comparative Totals as of June 30, 2018

	2019			2018 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 8,720,266	\$ 2,062,620	\$10,782,886	\$ 9,750,817
Investments	2,288,494	100,480	2,388,974	2,325,250
Receivables, net	545,853	411,210	957,063	952,635
Internal balances	(1,903,097)	1,903,097	-	-
Due from other governmental units	190,833	-	190,833	192,181
Prepaid items	59,357	13,871	73,228	112,744
Total current assets	<u>9,901,706</u>	<u>4,491,278</u>	<u>14,392,984</u>	<u>13,333,627</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	2,096,882	80,462	2,177,344	6,505,720
Investments	-	169,663	169,663	175,080
Capital assets:				
Land and construction in progress	8,975,913	2,196,230	11,172,143	5,666,804
Other capital assets	14,418,193	11,773,183	26,191,376	26,333,429
Total noncurrent assets	<u>25,490,988</u>	<u>14,219,538</u>	<u>39,710,526</u>	<u>38,681,033</u>
Total assets	<u>35,392,694</u>	<u>18,710,816</u>	<u>54,103,510</u>	<u>52,014,660</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	1,493,411	115,239	1,608,650	1,249,524
Deferred outflows of resources related to net OPEB obligation	259,333	37,819	297,152	6,940
Total deferred outflows of resources	<u>1,752,744</u>	<u>153,058</u>	<u>1,905,802</u>	<u>1,256,464</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	1,608,187	196,779	1,804,966	543,584
Unearned revenue	60,954	72,425	133,379	142,862
Capital lease payable	-	-	-	28,081
DHH water loan payable	-	33,000	33,000	31,000
Customers deposits payable	-	176,739	176,739	189,699
Bonds payable	440,000	-	440,000	425,000
Accrued interest payable	21,523	8,965	30,488	22,586
Total current liabilities	<u>2,130,664</u>	<u>487,908</u>	<u>2,618,572</u>	<u>1,382,812</u>
Noncurrent liabilities:				
Compensated absences payable	38,313	640	38,953	30,753
DHH water loan payable	-	698,863	698,863	699,748
Bonds payable	7,200,000	-	7,200,000	7,640,000
Net OPEB obligation payable	899,379	131,160	1,030,539	720,071
Net pension payable	4,033,095	333,575	4,366,670	3,811,532
Total noncurrent liabilities	<u>12,170,787</u>	<u>1,164,238</u>	<u>13,335,025</u>	<u>12,902,104</u>
Total liabilities	<u>14,301,451</u>	<u>1,652,146</u>	<u>15,953,597</u>	<u>14,284,916</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	311,288	19,069	330,357	268,995
NET POSITION				
Net investment in capital assets	14,509,846	13,310,936	27,820,782	23,435,893
Restricted for sales tax dedications	8,080,627	-	8,080,627	6,508,983
Restricted for capital expenditures	638,270	-	638,270	6,173,780
Restricted for debt service	260,112	-	260,112	251,019
Unrestricted (deficit)	(956,156)	3,881,723	2,925,567	2,347,538
Total net position	<u>\$ 22,532,699</u>	<u>\$ 17,192,659</u>	<u>\$39,725,358</u>	<u>\$ 38,717,213</u>

CITY OF SCOTT, LOUISIANA

Balance Sheets
General and Special Revenue Funds
June 30, 2019

With Comparative Totals as of June 30, 2018

	General		1968 Sales Tax Special Revenue		1984 Sales Tax Special Revenue		Apollo Economic Development District Sales Tax Special Revenue	
	2019	2018	2019	2018	2019	2018	2019	2018
	ASSETS							
Cash	\$ 154,790	\$ 113,492	\$ 38,815	\$ 36,890	\$ 412,642	\$ 314,757	\$ -	\$ 660,848
Interest-bearing deposits	533,324	475,980	2,247,914	1,021,135	3,000,771	2,821,362	1,794,186	1,688,759
Investments	522,722	510,810	1,649,156	1,611,575	116,616	113,958	-	-
Receivables:								
Taxes	5,274	121	229,784	214,044	229,784	214,044	78,387	70,766
Accrued interest	-	-	414	296	414	296	139	220
Due from other funds	830,593	832,166	-	-	58,978	481,959	1,759,896	1,203,071
Due from other governmental units	4,730	6,078	-	-	-	-	186,103	186,103
Other	1,657	1,657	-	-	-	-	-	-
Prepaid items	59,357	94,974	-	-	-	-	-	-
Total assets	<u>\$ 2,112,447</u>	<u>\$ 2,035,278</u>	<u>\$ 4,166,083</u>	<u>\$ 2,883,940</u>	<u>\$ 3,819,205</u>	<u>\$ 3,946,376</u>	<u>\$ 3,818,711</u>	<u>\$ 3,809,767</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 106,174	\$ 115,761	\$ 34,996	\$ 53,775	\$ 12,403	\$ 15,568	\$ 16,024	\$ 22,929
Contracts payable	-	-	510	-	-	-	4,328	-
Retainage payable	-	-	-	101,183	-	-	-	21,922
Accrued liabilities	4,147	3,653	1,672	2,559	1,860	2,747	548	601
Due to other funds	623,566	620,030	1,594,366	1,595,950	1,960,100	2,289,081	85,256	3,243
Unearned revenue	49,645	49,645	-	-	11,309	21,542	-	-
Total liabilities	<u>783,532</u>	<u>789,089</u>	<u>1,631,544</u>	<u>1,753,467</u>	<u>1,985,672</u>	<u>2,328,938</u>	<u>106,156</u>	<u>48,695</u>
Fund balances -								
Nonspendable (prepaid items)	59,357	94,974	-	-	-	-	-	-
Restricted - sales tax dedications	-	-	2,534,539	1,130,473	1,833,533	1,617,438	3,712,555	3,761,072
Unassigned	1,269,558	1,151,215	-	-	-	-	-	-
Total fund balances	<u>1,328,915</u>	<u>1,246,189</u>	<u>2,534,539</u>	<u>1,130,473</u>	<u>1,833,533</u>	<u>1,617,438</u>	<u>3,712,555</u>	<u>3,761,072</u>
Total liabilities and fund balances	<u>\$ 2,112,447</u>	<u>\$ 2,035,278</u>	<u>\$ 4,166,083</u>	<u>\$ 2,883,940</u>	<u>\$ 3,819,205</u>	<u>\$ 3,946,376</u>	<u>\$ 3,818,711</u>	<u>\$ 3,809,767</u>

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 261,000	\$ 252,338	\$253,577	\$ 1,239	\$ 250,110
Franchise -					
Electric	452,000	440,642	439,638	(1,004)	453,852
Natural gas	22,400	24,006	24,007	1	25,580
Cable TV	61,700	60,603	60,300	(303)	59,843
Total taxes	<u>797,100</u>	<u>777,589</u>	<u>777,522</u>	<u>(67)</u>	<u>789,385</u>
Licenses and permits:					
Liquor and beer licenses	8,850	8,890	10,180	1,290	9,450
Occupational licenses	25,000	25,990	27,170	1,180	25,440
Insurance occupational licenses	141,500	205,000	206,823	1,823	187,553
Building permits	70,000	77,562	81,008	3,446	58,494
Electrical permits	10,000	10,953	12,873	1,920	9,543
Other permits	8,150	6,659	7,800	1,141	10,984
Total licenses and permits	<u>263,500</u>	<u>335,054</u>	<u>345,854</u>	<u>10,800</u>	<u>301,464</u>
Intergovernmental:					
Department of Revenue and Taxation:					
Beer taxes	14,700	14,652	7,652	(7,000)	14,484
Department of Transportation:					
Grass cutting	9,460	9,460	14,190	4,730	9,460
Department of Public Safety					
Municipal fire and police supplemental pay	186,000	143,128	152,610	9,482	143,995
Local -					
LEDA tourism grants	20,000	18,340	14,625	(3,715)	28,327
Lafayette Parish School Board	238,313	238,313	238,313	-	100,133
Lafayette Consolidated Government	-	17,432	17,432	-	-
Total intergovernmental	<u>468,473</u>	<u>441,325</u>	<u>444,822</u>	<u>3,497</u>	<u>296,399</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Revenues (Continued)
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Actual	Variance with Final Budget Positive (Negative)	2018 Actual
	Budget				
	Original	Final			
Fines and forfeits:					
Fines and court costs - regular	150,000	152,435	151,391	(1,044)	151,219
Fines and court costs - LACE	148,000	236,023	238,418	2,395	158,830
Clerk of Court	100	-	65	65	65
Total fines and forfeits	<u>298,100</u>	<u>388,458</u>	<u>389,874</u>	<u>1,416</u>	<u>310,114</u>
Miscellaneous:					
Interest	15,000	17,538	19,291	1,753	12,960
Sale of assets	-	15,950	15,950	-	6,600
Sale of assets - police assets	-	3,000	3,000	-	810
Begnaud House inventory sales	2,000	2,700	2,816	116	2,223
Begnaud House event admission	500	229	300	71	276
Event Center revenues	25,000	40,890	45,900	5,010	28,800
Other sources	500	10,700	12,996	2,296	7,539
Total miscellaneous	<u>43,000</u>	<u>91,007</u>	<u>100,253</u>	<u>9,246</u>	<u>59,208</u>
Total revenues	<u>\$1,870,173</u>	<u>\$2,033,433</u>	<u>\$2,058,325</u>	<u>\$ 24,892</u>	<u>\$ 1,756,570</u>

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
General government:					
Administration:					
Mayor and council salaries	\$ 143,738	\$ 142,453	\$ 143,738	\$ (1,285)	\$ 143,738
Other salaries	121,982	113,247	116,705	(3,458)	161,980
Payroll taxes	20,859	19,387	19,917	(530)	22,445
Retirement	28,299	24,304	25,714	(1,410)	27,701
Telephone and utilities	34,570	32,967	31,894	1,073	35,507
Advertising and publications	24,500	31,402	33,806	(2,404)	24,655
Repairs and maintenance	39,505	56,112	52,814	3,298	55,645
Dues and conventions	13,000	8,971	9,362	(391)	9,898
Legal fees	102,500	128,625	131,980	(3,355)	109,115
Government relations and consulting	50,000	50,000	50,000	-	96,000
Accounting and auditing	35,000	35,000	31,860	3,140	35,712
Computer service	5,000	5,097	4,669	428	9,340
General insurance	55,289	75,145	77,361	(2,216)	62,669
Group insurance	48,331	30,740	35,003	(4,263)	31,919
Office expenditures	44,750	40,203	43,466	(3,263)	50,038
Uniforms	3,000	3,609	3,327	282	581
Scott business appreciation	4,000	4,000	3,882	118	3,601
Council on Aging	6,000	6,000	6,000	-	6,000
Cultural activities	6,800	6,913	6,837	76	6,194
Collection fees	8,900	8,900	9,052	(152)	8,936
Election fees	-	27,995	27,447	548	-
Miscellaneous	1,495	1,358	2,678	(1,320)	1,535
	<u>797,518</u>	<u>852,428</u>	<u>867,512</u>	<u>(15,084)</u>	<u>903,209</u>
Code Department:					
Salaries	89,774	98,178	97,803	375	92,987
Payroll taxes and retirement	19,615	19,418	19,589	(171)	18,761
Group insurance	16,424	12,317	14,885	(2,568)	15,320
Building permits	65,000	75,326	80,411	(5,085)	62,135
Training	800	118	1,037	(919)	877
	<u>191,613</u>	<u>205,357</u>	<u>213,725</u>	<u>(8,368)</u>	<u>190,080</u>
Total general government	<u>989,131</u>	<u>1,057,785</u>	<u>1,081,237</u>	<u>(23,452)</u>	<u>1,093,289</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Actual	Variance with Final Budget Positive (Negative)	2018 Actual
	Budget				
	Original	Final			
Public safety:					
Police -					
Salaries	1,609,048	1,468,105	1,471,442	(3,337)	1,332,044
Salaries - Chief	82,860	82,860	82,860	-	81,001
Payroll taxes	132,815	119,749	118,547	1,202	109,238
Retirement	405,075	381,451	390,531	(9,080)	357,539
Vehicle allowance	7,200	7,200	7,200	-	7,200
Auto fuel and oil	95,000	74,841	74,459	382	71,960
Uniforms and supplies	39,700	48,377	48,187	190	30,730
Training, lodging and travel	18,000	11,000	10,974	26	12,606
Dues and subscriptions	10,000	9,000	8,633	367	9,810
General insurance	159,424	159,724	173,912	(14,188)	166,280
Group insurance	236,062	208,062	207,865	197	196,165
Advertising	3,000	3,000	2,082	918	2,344
Miscellaneous	5,500	500	194	306	463
Auto repairs and maintenance	60,000	56,000	55,154	846	39,706
Firearms and ammunition	9,000	9,000	8,803	197	4,983
Telephone and utilities	31,300	26,334	29,711	(3,377)	28,374
Computer services	20,000	17,000	16,404	596	18,138
Office repairs and maintenance	37,500	40,901	41,117	(216)	35,766
Office supplies	14,000	12,500	12,141	359	15,399
Civil service -					
Contract services	2,175	2,112	2,112	-	1,760
Office supplies/miscellaneous	2,000	2,000	1,909	91	1,303
Total public safety	<u>2,979,659</u>	<u>2,739,716</u>	<u>2,764,237</u>	<u>(24,521)</u>	<u>2,522,809</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018 Actual
	Budget		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
Streets:					
Salaries	407,244	388,914	391,505	(2,591)	356,694
Retirement	57,014	44,853	47,245	(2,392)	39,476
Payroll taxes	31,969	28,526	29,211	(685)	26,514
Street lighting	75,000	66,792	72,208	(5,416)	74,570
General insurance	99,570	119,570	120,454	(884)	98,893
Group insurance	59,272	48,730	52,328	(3,598)	47,669
Dues and subscriptions	6,000	5,500	4,090	1,410	5,585
Utilities	8,300	6,327	6,947	(620)	8,723
Engineering	-	5,000	7,834	(2,834)	-
Repairs and maintenance	67,200	69,725	71,928	(2,203)	67,507
Uniforms	3,100	2,305	2,502	(197)	3,104
Install/remove Christmas decorations	1,850	3,220	3,220	-	1,802
Miscellaneous	800	457	3,257	(2,800)	972
Total streets	<u>817,319</u>	<u>789,919</u>	<u>812,729</u>	<u>(22,810)</u>	<u>731,509</u>
Culture and tourism:					
Begnaud House -					
Salaries	17,079	17,695	17,900	(205)	17,927
Payroll taxes	1,341	1,381	1,395	(14)	1,405
General insurance	1,979	1,751	1,498	253	1,898
Cost of sales	500	1,530	1,773	(243)	423
Telephone and utilities	5,150	5,918	6,190	(272)	6,461
Advertising and marketing	2,000	1,580	1,580	-	493
Events	500	118	193	(75)	214
Office expenditures	1,460	1,225	1,303	(78)	1,918
Building and grounds maintenance	1,000	4,444	4,898	(454)	1,410
Conferences	460	150	150	-	198
Miscellaneous	100	745	969	(224)	900
Total Begnaud House	<u>31,569</u>	<u>36,537</u>	<u>37,849</u>	<u>(1,312)</u>	<u>33,247</u>
Scott Event Center -					
Contract labor	7,500	12,600	13,125	(525)	7,260
General insurance	1,425	3,025	674	2,351	3,072
Utilities	7,340	8,560	8,011	549	6,634
Repairs and maintenance	5,925	19,692	19,245	447	3,357
Supplies	-	-	-	-	2,455
Advertisements	500	-	-	-	-
Miscellaneous	100	-	-	-	229
Total Scott Event Center	<u>22,790</u>	<u>43,877</u>	<u>41,055</u>	<u>2,822</u>	<u>23,007</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Scott Community Center -					
General insurance	675	579	591	(12)	632
Repairs and maintenance	300	259	259	-	437
Telephone and utilities	<u>1,500</u>	<u>1,323</u>	<u>1,232</u>	<u>91</u>	<u>1,309</u>
Total Scott Community Center	<u>2,475</u>	<u>2,161</u>	<u>2,082</u>	<u>79</u>	<u>2,378</u>
Total culture and recreation	<u>56,834</u>	<u>82,575</u>	<u>80,986</u>	<u>1,589</u>	<u>58,632</u>
Capital outlay	<u>123,492</u>	<u>373,344</u>	<u>399,910</u>	<u>(26,566)</u>	<u>118,981</u>
Total expenditures	<u>\$4,966,435</u>	<u>\$5,043,339</u>	<u>\$5,139,099</u>	<u>\$ (95,760)</u>	<u>\$4,525,220</u>

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

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 2,355,000	\$ 2,694,864	\$ 2,684,126	\$(10,738)	\$2,437,257
Intergovernmental -					
Local grant	-	30,000	30,551	551	-
Miscellaneous -					
Interest	31,000	62,577	68,289	5,712	37,059
Other	-	-	5,040	5,040	-
Total revenues	<u>2,386,000</u>	<u>2,787,441</u>	<u>2,788,006</u>	<u>565</u>	<u>2,474,316</u>
Expenditures:					
General government -					
Collection fees	13,000	24,870	22,449	2,421	35,893
Professional fees	<u>22,000</u>	<u>22,000</u>	<u>21,270</u>	<u>730</u>	<u>21,105</u>
Total general government	<u>35,000</u>	<u>46,870</u>	<u>43,719</u>	<u>3,151</u>	<u>56,998</u>
Streets -					
Supplies and repairs	67,596	71,637	64,407	7,230	41,510
Herbicide program	29,730	44,867	49,732	(4,865)	14,865
Engineering fees - annexations, etc.	<u>105,000</u>	<u>210,584</u>	<u>218,631</u>	<u>(8,047)</u>	<u>128,300</u>
Total streets	<u>202,326</u>	<u>327,088</u>	<u>332,770</u>	<u>(5,682)</u>	<u>184,675</u>
Capital outlay	<u>161,200</u>	<u>108,366</u>	<u>109,708</u>	<u>(1,342)</u>	<u>379,606</u>
Total expenditures	<u>398,526</u>	<u>482,324</u>	<u>486,197</u>	<u>(3,873)</u>	<u>621,279</u>
Excess of revenues over expenditures	<u>1,987,474</u>	<u>2,305,117</u>	<u>2,301,809</u>	<u>(3,308)</u>	<u>1,853,037</u>

(continued)

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

Detailed Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Other financing sources (uses):					
Transfers in	-	75,419	75,419	-	-
Transfers out	(1,907,455)	(945,992)	(973,162)	(27,170)	(1,390,102)
Total other financing sources (uses)	(1,907,455)	(870,573)	(897,743)	(27,170)	(1,390,102)
Excess of revenues and other financing sources over expenditures and other uses	80,019	1,434,544	1,404,066	(30,478)	462,935
Fund balance, beginning	1,130,473	1,130,473	1,130,473	-	667,538
Fund balance, ending	<u>\$ 1,210,492</u>	<u>\$2,565,017</u>	<u>\$2,534,539</u>	<u>\$ (30,478)</u>	<u>\$ 1,130,473</u>

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

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 2,355,000	\$ 2,694,864	\$ 2,684,126	\$ (10,738)	\$ 2,437,257
Miscellaneous -					
Equipment refund	-	138,000	148,292	10,292	-
Interest	31,000	44,235	46,223	1,988	33,622
Total revenues	<u>2,386,000</u>	<u>2,877,099</u>	<u>2,878,641</u>	<u>1,542</u>	<u>2,470,879</u>
Expenditures:					
General government -					
Sales tax collection fee	12,000	24,867	22,449	2,418	35,893
Professional fees	23,000	16,900	26,260	(9,360)	21,105
Total general government	<u>35,000</u>	<u>41,767</u>	<u>48,709</u>	<u>(6,942)</u>	<u>56,998</u>
Public safety - fire					
Contract	75,000	75,000	75,000	-	75,000
Telephone and supplies	2,110	2,373	2,536	(163)	2,099
Uniforms	4,650	4,650	4,662	(12)	3,573
Professional fees	16,500	16,385	18,040	(1,655)	16,290
Salaries and benefits	387,196	367,116	372,612	(5,496)	304,275
Payroll taxes	28,394	28,373	28,906	(533)	23,883
Contract labor	56,000	56,000	56,365	(365)	56,000
Insurance	16,853	16,797	13,723	3,074	17,568
Total public safety	<u>586,703</u>	<u>566,694</u>	<u>571,844</u>	<u>(5,150)</u>	<u>498,688</u>
Streets -					
Vehicle and equipment repairs and maintenance	55,000	84,825	67,282	17,543	69,056
Equipment lease	64,353	53,351	53,351	-	35,147
Total streets	<u>119,353</u>	<u>138,176</u>	<u>120,633</u>	<u>17,543</u>	<u>104,203</u>
Capital outlay	<u>65,000</u>	<u>198,204</u>	<u>199,192</u>	<u>(988)</u>	<u>138,000</u>
Total expenditures	<u>806,056</u>	<u>944,841</u>	<u>940,378</u>	<u>4,463</u>	<u>797,889</u>
Excess of revenues over expenditures	<u>1,579,944</u>	<u>1,932,258</u>	<u>1,938,263</u>	<u>6,005</u>	<u>1,672,990</u>

(continued)

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

Detailed Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Other financing uses:					
Transfers out	(1,722,169)	(1,722,168)	(1,722,168)	-	(1,555,450)
Excess (deficiency) of revenues over expenditures and other uses	(142,225)	210,090	216,095	6,005	117,540
Fund balance, beginning	1,617,438	1,617,438	1,617,438	-	1,499,898
Fund balance, ending	<u>\$ 1,475,213</u>	<u>\$ 1,827,528</u>	<u>\$ 1,833,533</u>	<u>\$ 6,005</u>	<u>\$ 1,617,438</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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 793,000	\$ 817,975	\$ 863,543	\$ 45,568	\$ 757,578
Intergovernmental - State grant	4,357,097	-	-	-	-
Miscellaneous	<u>50,000</u>	<u>35,405</u>	<u>21,882</u>	<u>(13,523)</u>	<u>108,539</u>
Total revenues	<u>5,200,097</u>	<u>853,380</u>	<u>885,425</u>	<u>32,045</u>	<u>866,117</u>
Expenditures:					
General government - Collection fees	6,000	6,883	6,568	315	6,518
Capital outlay	<u>6,058,822</u>	<u>610,682</u>	<u>588,640</u>	<u>22,042</u>	<u>410,010</u>
Total expenditures	<u>6,064,822</u>	<u>617,565</u>	<u>595,208</u>	<u>22,357</u>	<u>416,528</u>
Excess (deficiency) of revenues over expenditures	<u>(864,725)</u>	<u>235,815</u>	<u>290,217</u>	<u>54,402</u>	<u>449,589</u>
Other financing sources (uses):					
Transfers in	-	-	27,170	27,170	-
Transfers out	<u>(1,626,144)</u>	<u>(365,904)</u>	<u>(365,904)</u>	<u>-</u>	<u>(6,813,690)</u>
Total other financing sources (uses)	<u>(1,626,144)</u>	<u>(365,904)</u>	<u>(338,734)</u>	<u>27,170</u>	<u>(6,813,690)</u>
Deficiency of revenues and other financing sources over expenditures and other uses	<u>(2,490,869)</u>	<u>(130,089)</u>	<u>(48,517)</u>	<u>81,572</u>	<u>(6,364,101)</u>
Fund balances, beginning	<u>3,761,072</u>	<u>3,761,072</u>	<u>3,761,072</u>	<u>-</u>	<u>10,125,173</u>
Fund balances, ending	<u>\$1,270,203</u>	<u>\$3,630,983</u>	<u>\$3,712,555</u>	<u>\$ 81,572</u>	<u>\$3,761,072</u>

CITY OF SCOTT, LOUISIANA
 Capital Projects Fund
 Sewer System Construction/Grants Fund

Detailed Budgetary Comparison Schedule
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018 Actual
	Budget		Actual	Variance - Favorable (Unfavorable)	
	Original	Final			
Revenues:					
Intergovernmental -					
LCDBG sewer grant	\$ -	\$ -	\$ 3,716	\$ 3,716	\$ -
Corporate contributions	364,950	328,463	328,463	-	109,470
Interest	-	-	71,883	71,883	-
Total revenues	<u>364,950</u>	<u>328,463</u>	<u>404,062</u>	<u>75,599</u>	<u>109,470</u>
Expenditures:					
Capital outlay	<u>7,693,038</u>	<u>5,890,305</u>	<u>5,864,153</u>	<u>26,152</u>	<u>79,800</u>
Total expenditures	<u>7,693,038</u>	<u>5,890,305</u>	<u>5,864,153</u>	<u>26,152</u>	<u>79,800</u>
Excess (deficiency) of revenues over expenditures	<u>(7,328,088)</u>	<u>(5,561,842)</u>	<u>(5,460,091)</u>	<u>101,751</u>	<u>29,670</u>
Other financing sources (uses):					
Transfers in	1,244,053	-	-	-	6,144,110
Transfers out	<u>-</u>	<u>(75,419)</u>	<u>(75,419)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,244,053</u>	<u>(75,419)</u>	<u>(75,419)</u>	<u>-</u>	<u>6,144,110</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(6,084,035)</u>	<u>(5,637,261)</u>	<u>(5,535,510)</u>	<u>101,751</u>	<u>6,173,780</u>
Fund balance, beginning	<u>6,173,780</u>	<u>6,173,780</u>	<u>6,173,780</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ 89,745</u>	<u>\$ 536,519</u>	<u>\$ 638,270</u>	<u>\$ 101,751</u>	<u>\$6,173,780</u>

CITY OF SCOTT, LOUISIANA
Debt Service Fund
Sales Tax Bonds Fund

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Actual	Variance- Favorable (Unfavorable)	2018 Actual
	Budget				
	Original	Final			
Revenues:					
Miscellaneous - interest	\$ 3,800	\$ 3,667	\$ 3,603	\$ (64)	\$ 3,773
Expenditures					
Debt service -					
Principal retirement	425,000	425,000	425,000	-	410,000
Interest	264,650	264,650	264,650	-	277,175
Paying agents' fees	<u>1,630</u>	<u>1,640</u>	<u>3,259</u>	<u>(1,619)</u>	<u>40</u>
Total debt service	<u>691,280</u>	<u>691,290</u>	<u>692,909</u>	<u>(1,619)</u>	<u>687,215</u>
Deficiency of revenues over expenditures	(687,480)	(687,623)	(689,306)	(1,683)	(683,442)
Other financing sources:					
Transfers in	<u>697,338</u>	<u>697,336</u>	<u>697,336</u>	<u>-</u>	<u>694,900</u>
Excess of revenues and other financing sources over expenditures	9,858	9,713	8,030	(1,683)	11,458
Fund balance, beginning	<u>273,605</u>	<u>273,605</u>	<u>273,605</u>	<u>-</u>	<u>262,147</u>
Fund balance, ending	<u>\$283,463</u>	<u>\$283,318</u>	<u>\$281,635</u>	<u>\$(1,683)</u>	<u>\$273,605</u>

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2019 and 2018

Records maintained by the City indicated the following number of customers were being serviced during the month of June, 2019 and 2018:

<u>Department</u>	<u>2019</u>	<u>2018</u>
Gas (metered)	542	544
Water (metered)	2,813	3,109
Sewerage	1,831	1,910
Garbage	2,849	2,868

CITY OF SCOTT, LOUISIANA

Schedule of Insurance In Force
(Unaudited)
June 30, 2019

Description of Coverage	Coverage Amounts
Workmens' compensation - Employer's liability	Statutory \$100,000
Surety bonds - On public employees	250,000
Comprehensive general liability, bodily injury and property damage	500,000
Law enforcement officers comprehensive liability, personal injury and property damage, \$2,500 deductible	500,000
Public officials' errors and omissions, \$2,500 deductible	500,000
Comprehensive auto liability, bodily injury and property damage	500,000
Vehicle physical damage	1,898,062
Fire and lighting, extended coverage, vandalism malicious mischief - Properties located on Lions Club Road: City Hall and Emergency Services Buildings Community Center and Event Center Public Works and Maintenance Department buildings Parking and storage buildings Properties located on Mills Street: Wastewater plant and Dewatering building Property located on Benoit Patin Road: Welcome Center	6,654,174
Equipment breakdown coverage Comprehensive coverage including property damage \$2,500 deductible	7,385,835
Special equipment floater	1,110,913
Flood Insurance Buildings and contents	964,300

CITY OF SCOTT, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds
June 30, 2019

	Financial Institution	Issue Date	Maturity Date	Term	Interest Rate	Amount
Major governmental funds:						
General Fund -						
Certificate of deposit	H	06/29/19	05/29/20	11 months	2.48%	\$ 124,700
Money market investment account	H	N/A	N/A	N/A	Variable	75,801
Money market investment account	H	N/A	N/A	N/A	Variable	184,896
Money market investment account	H	N/A	N/A	N/A	Variable	99,299
Money market investment account	H	N/A	N/A	N/A	Variable	47,568
Money market investment account	H	N/A	N/A	N/A	Variable	1,060
Total General Fund						<u>533,324</u>
1968 Sales Tax Fund -						
Certificate of deposit	H	11/06/18	04/06/20	17 months	2.37%	595,058
Money market investment account	H	N/A	N/A	N/A	Variable	1,652,856
Total 1968 Sales Tax Fund						<u>2,247,914</u>
1984 Sales Tax Fund -						
Certificate of deposit	H	11/06/18	04/06/20	17 months	2.37%	597,744
Certificate of deposit	H	06/24/19	05/24/20	17 months	2.48%	548,514
Money market investment account	H	N/A	N/A	N/A	Variable	1,854,513
Total 1984 Sales Tax Fund						<u>3,000,771</u>
Apollo EDD Sales Tax Fund -						
Certificate of deposit	H	10/28/18	04/28/20	18 months	1.09%	473,859
Certificate of deposit	H	05/26/17	08/26/19	27 months	1.34%	522,787
Money market investment account	H	N/A	N/A	N/A	Variable	797,540
Total TIF District Sales Tax Fund						<u>1,794,186</u>
Debt Service Fund -						
Sales Tax Bonds Fund:						
Money market investment account	H	N/A	N/A	N/A	Variable	272,768
Capital Projects Fund -						
Sewer System Construction Fund:						
Money market investment account	H	N/A	N/A	N/A	Variable	1,824,114
Total major governmental funds						<u>9,673,077</u>

(continued)

CITY OF SCOTT, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
June 30, 2019

	<u>Financial Institution</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Amount</u>
Utility Fund:						
Unrestricted -						
Certificate of deposit	C	03/23/19	09/19/19	180 days	0.05%	699,384
Certificate of deposit	H	11/06/18	04/06/20	17 months	2.37%	1,071,103
Money market investment account	H	N/A	N/A	N/A	Variable	97,389
Restricted -						
Money market investment account	H	N/A	N/A	N/A	Variable	<u>7,076</u>
Total Utility Fund						<u>1,874,952</u>
Total interest-bearing deposits						<u>11,548,029</u>
Investments:						
General Fund -						
Lamp		N/A	N/A	N/A	Variable	522,722
1968 Sales Tax Fund -						
Lamp		N/A	N/A	N/A	Variable	1,649,156
1984 Sales Tax Fund -						
Lamp		N/A	N/A	N/A	Variable	116,616
Utility Fund -						
Unrestricted - Lamp		N/A	N/A	N/A	Variable	100,480
Restricted - Customer deposits - Lamp		N/A	N/A	N/A	Variable	<u>169,663</u>
Total investments						<u>2,558,637</u>
Total interest-bearing deposits and investments						<u>\$ 14,106,666</u>

Financial Institution:

- C Chase Bank
- H Home Bank
- I Iberia Bank

CITY OF SCOTT, LOUISIANA

Comparative Statement of Net Position
Proprietary Fund
June 30, 2019 and 2018

	Enterprise Fund	
	2019	2018
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 2,062,620	\$ 2,615,979
Investments	100,480	88,907
Receivables:		
Accounts, net of allowance for doubtful accounts	288,649	312,306
Unbilled utility receivables	119,014	136,079
Accrued interest receivable	3,547	2,806
Due from other funds	1,959,137	2,008,136
Prepaid items	13,871	17,770
Total current assets	4,547,318	5,181,983
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	80,462	88,005
Investments	169,663	175,080
Capital assets -		
Land and construction in progress	2,196,230	2,345,132
Other capital assets, net of accumulated depreciation	11,773,183	11,857,611
Total noncurrent assets	14,219,538	14,465,828
Total assets	18,766,856	19,647,811
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	115,239	134,484
Deferred outflows of resources related to net OPEB obligation	37,819	1,410
Total deferred outflows of resources	153,058	135,894
LIABILITIES		
Current liabilities:		
Accounts payable	195,402	200,215
Accrued liabilities	1,377	2,671
Unearned revenue	72,425	71,675
Capital lease payable	-	28,081
DHH water loan payable	33,000	31,000
Customers' deposits payable	176,739	189,699
Due to other funds	56,040	45,083
Accrued interest payable	8,965	-
Total current liabilities	543,948	568,424
Noncurrent liabilities:		
Compensated absences payable	640	1,235
DHH water loan payable	698,863	699,748
Net OPEB obligation payable	131,160	142,677
Net pension liability	333,575	347,128
Total noncurrent liabilities	1,164,238	1,190,788
Total liabilities	1,708,186	1,759,212
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	19,069	15,561
NET POSITION		
Net investment in capital assets	13,310,936	13,517,300
Unrestricted	3,881,723	4,491,632
Total net position	\$ 17,192,659	\$ 18,008,932

CITY OF SCOTT, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary Fund
 For the Years Ended June 30, 2019 and 2018

	Enterprise Fund	
	2019	2018
Operating revenues:		
Charges for services -		
Gas charges	\$ 521,854	\$ 487,886
Water service charges	1,290,301	1,286,418
Sewer service charges	590,374	595,141
Garbage service charges	861,939	855,782
Penalties, permits and connection fees	126,133	82,865
Total operating revenues	3,390,601	3,308,092
Operating expenses:		
Salaries	316,572	331,505
Retirement - current	40,273	41,108
Retirement expense (benefit) - GASB 68	19,102	(6,140)
OPEB expense (benefit)	(47,926)	3,664
Disposal charges	2,490	2,934
Gas and water purchases	1,141,452	1,083,612
Garbage collection fees	864,127	858,556
Supplies and repairs	227,793	170,457
Utilities and telephone	53,613	47,888
Professional fees	29,956	28,304
General insurance	68,553	75,610
Group health insurance	61,264	54,557
Office expense	12,045	15,050
Payroll taxes	23,735	24,728
Truck expenses	12,792	14,837
Training	23,062	3,245
Uniforms	3,717	4,117
Bad debts	40,455	41,120
Depreciation expense	513,092	482,971
Miscellaneous	523	56
Total operating expenses	3,406,690	3,278,179
Operating income (loss)	(16,089)	29,913

(continued)

CITY OF SCOTT, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Fund (Continued)
 For the Years Ended June 30, 2019 and 2018

	<u>Enterprise Fund</u>	
	<u>2019</u>	<u>2018</u>
Nonoperating revenues (expenses):		
Nonemployer pension contribution	9,902	9,989
Interest income	36,807	15,899
Interest expense	<u>(28,150)</u>	<u>(16,590)</u>
Total nonoperating revenues (expenses)	<u>18,559</u>	<u>9,298</u>
Income (loss) before capital contributions and transfers	<u>2,470</u>	<u>39,211</u>
Capital contributions	<u>8,029</u>	<u>79,370</u>
Transfers:		
Transfers in	1,463,228	2,157,232
Transfers out	<u>(2,290,000)</u>	<u>(2,025,000)</u>
Total transfers	<u>(826,772)</u>	<u>132,232</u>
Change in net position	(816,273)	250,813
Net position, beginning	<u>18,008,932</u>	<u>17,758,119</u>
Net position, ending	<u>\$ 17,192,659</u>	<u>\$ 18,008,932</u>

CITY OF SCOTT, LOUISIANA

Comparative Statement of Cash Flows
 Proprietary Fund
 For the Years Ended June 30, 2019 and 2018

	Enterprise Fund	
	2019	2018
Cash flows from operating activities:		
Receipts from customers	\$ 3,430,573	\$ 3,336,069
Payments to suppliers	(2,529,807)	(2,338,588)
Payments to employees	<u>(393,918)</u>	<u>(455,562)</u>
Net cash provided by operating activities	<u>506,848</u>	<u>541,919</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	59,956	537,470
Net change in meter deposits	(12,960)	70
Transfers from other funds	1,463,228	2,157,232
Transfers to other funds	<u>(2,290,000)</u>	<u>(2,025,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(779,776)</u>	<u>669,772</u>
Cash flows from capital and related financing activities:		
Proceeds from DHH water loan	32,115	239,384
Payment on DHH water loan	(31,000)	(20,000)
Interest on DHH water loan	(17,819)	(13,921)
Payment of capital lease	(28,081)	(26,778)
Interest on capital lease	(1,366)	(2,669)
Capital contributions	8,029	79,370
Acquisition of property, plant and equipment	<u>(279,762)</u>	<u>(1,348,676)</u>
Net cash used by capital and related financing activities	<u>(317,884)</u>	<u>(1,093,290)</u>
Cash flows from investing activities:		
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	1,998,138	1,994,515
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(2,040,630)	(1,998,138)
Interest on investments	<u>36,066</u>	<u>13,188</u>
Net cash provided (used) by investing activities	<u>(6,426)</u>	<u>9,565</u>
Net increase (decrease) in cash and cash equivalents	(597,238)	127,966
Cash and cash equivalents, beginning of period	<u>969,833</u>	<u>841,867</u>
Cash and cash equivalents, end of period	<u>\$ 372,595</u>	<u>\$ 969,833</u>

(continued)

CITY OF SCOTT, LOUISIANA
 Comparative Statement of Cash Flows
 Proprietary Fund (Continued)
 For the Years Ended June 30, 2019 and 2018

	Enterprise Fund	
	2019	2018
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (16,089)	\$ 29,913
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	513,092	482,971
Pension and OPEB expense	(28,824)	(2,472)
Provision for uncollectible accounts	339	11,538
Changes in current assets and liabilities:		
Decrease in accounts receivable	23,318	72,532
(Increase) decrease in unbilled utility receivables	17,065	(53,298)
(Increase) decrease in prepaid items	3,899	(4,373)
Increase (decrease) in accounts payable	(4,813)	3,557
Decrease in accrued liabilities	(1,294)	(1,565)
Increase in unearned revenue	750	2,795
Increase (decrease) in compensated absences payable	(595)	321
Net cash provided by operating activities	506,848	541,919
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash and interest-bearing deposits - unrestricted	\$ 2,615,979	\$ 2,001,523
Interest-bearing deposits - restricted	88,005	574,495
Less: Interest-bearing deposits with maturity in excess of 90 days	(1,734,151)	(1,734,151)
Total cash and cash equivalents, beginning of period	969,833	841,867
Cash and cash equivalents, end of period -		
Cash and interest-bearing deposits - unrestricted	2,062,620	2,615,979
Interest-bearing deposits - restricted	80,462	88,005
Less: Interest-bearing deposits with maturity in excess of 90 days	(1,770,487)	(1,734,151)
Total cash and cash equivalents, end of period	372,595	969,833
Net increase (decrease) in cash and cash equivalents	\$ (597,238)	\$ 127,966

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Statement of Revenues and Expenses
For the Years Ended June 30, 2019 and 2018

	Totals		Gas	
	2019	2018	2019	2018
Operating revenues:				
Customers service charges	\$ 3,264,468	\$ 3,225,227	\$ 521,854	\$ 487,886
Permits, reconnections and penalties	126,133	82,865	61,628	10,706
Total operating revenues	<u>3,390,601</u>	<u>3,308,092</u>	<u>583,482</u>	<u>498,592</u>
Operating expenses:				
Salaries	316,572	331,505	144,443	122,484
Retirement - current	40,273	41,108	18,357	15,111
Retirement expense (benefit) - GASB 68	19,102	(6,140)	8,596	(2,272)
OPEB expense (benefit)	(47,926)	3,664	(20,540)	1,570
Disposal charges - plant	2,490	2,934	-	-
Gas and water purchases	1,141,452	1,083,612	145,498	128,337
Garbage collection fees	864,127	858,556	-	-
Supplies and repairs	199,613	145,747	74,049	87,673
Supplies - plant	28,180	24,710	-	-
Utilities	28,681	23,259	1,401	1,616
Utilities - plant	24,932	24,629	-	-
Professional fees	29,956	28,304	10,402	10,268
Insurance	46,925	55,811	15,440	19,875
Insurance - plant	21,628	19,799	-	-
Group insurance	61,264	54,557	26,882	19,072
Office expense	12,045	15,050	4,023	5,064
Payroll taxes	23,735	24,728	11,013	9,431
Truck expenses	12,792	14,837	3,899	4,963
Training	23,062	3,245	11,601	2,454
Uniforms	3,417	3,967	1,780	1,657
Uniforms - plant	300	150	-	-
Bad debts	40,455	41,120	8,330	22,654
Depreciation	455,373	419,834	20,615	20,554
Depreciation - plant	57,719	63,137	-	-
Miscellaneous	523	56	251	-
Total operating expenses	<u>3,406,690</u>	<u>3,278,179</u>	<u>486,040</u>	<u>470,511</u>
Net operating income (loss)	<u>\$ (16,089)</u>	<u>\$ 29,913</u>	<u>\$ 97,442</u>	<u>\$ 28,081</u>

Water		Sewerage		Garbage	
2019	2018	2019	2018	2019	2018
\$ 1,290,301	\$ 1,286,418	\$ 590,374	\$ 595,141	\$ 861,939	\$ 855,782
<u>38,961</u>	<u>47,109</u>	<u>15,544</u>	<u>15,144</u>	<u>10,000</u>	<u>9,906</u>
<u>1,329,262</u>	<u>1,333,527</u>	<u>605,918</u>	<u>610,285</u>	<u>871,939</u>	<u>\$ 865,688</u>
135,930	166,913	36,199	42,108	-	-
17,143	21,603	4,773	4,394	-	-
8,214	(3,254)	2,292	(614)	-	-
(20,540)	1,570	(6,846)	524	-	-
-	-	2,490	2,934	-	-
995,954	955,275	-	-	-	-
-	-	-	-	864,127	858,556
64,942	28,165	60,622	29,909	-	-
-	-	28,180	24,710	-	-
780	1,319	26,500	20,324	-	-
-	-	24,932	24,629	-	-
9,927	9,018	9,627	9,018	-	-
17,826	20,066	13,659	15,870	-	-
-	-	21,628	19,799	-	-
23,632	27,784	10,750	7,701	-	-
3,921	5,309	4,101	4,677	-	-
10,063	12,119	2,659	3,178	-	-
3,851	3,397	5,042	6,477	-	-
10,342	608	1,119	183	-	-
1,086	1,673	551	637	-	-
-	-	300	150	-	-
21,964	11,231	10,161	7,235	-	-
201,848	168,391	232,910	230,889	-	-
-	-	57,719	63,137	-	-
272	56	-	-	-	-
<u>1,507,155</u>	<u>1,431,243</u>	<u>549,368</u>	<u>517,869</u>	<u>864,127</u>	<u>858,556</u>
<u>\$ (177,893)</u>	<u>\$ (97,716)</u>	<u>\$ 56,550</u>	<u>\$ 92,416</u>	<u>\$ 7,812</u>	<u>7,132</u>

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

KOLDER, SLAVEN & COMPANY, LLC

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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

* A Professional Accounting Corporation

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, each major fund, and the aggregate remaining fund information of the City of Scott, Louisiana (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the City's basic financial statements and have issued our report thereon dated November 12, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiency, described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2019-001, to be a material weakness.

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

The City's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 12, 2019

CITY OF SCOTT, LOUISIANA

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Finding -

2019-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

Criteria: The City should have a control policy according to which no person should be given responsibility for more than one related function.

Cause: Due to the size of the City, they do not have a sufficient number of employees to provide adequate segregation of duties.

Effect: The City has employees that are performing more than one related function.

Recommendation: The City should monitor mitigating controls over functions that are not completely segregated.

Management's Corrective Action Plan: Due to the size of operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

B. Compliance Findings -

There are no findings to report under this section.

CITY OF SCOTT, LOUISIANA

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

Part II: Prior Year Findings

A. Internal Control Findings –

2018-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

Recommendation: Management should reassign related duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

Current Status: Unresolved. See item 2019-001.

2018-002 Qualified Staff Person to Apply GAAP

Fiscal year finding initially occurred: 2007

Condition: The City did not have a staff person with the necessary qualifications and training to apply GAAP in recording their financial transactions or to prepare their financial statements and related notes.

Recommendation: The City should evaluate the cost-benefit of establishing internal controls over the preparation of the financial statements and related notes in accordance with GAAP.

Current Status: Resolved.

2018-003 Policies and Procedures over Cash Collections

Fiscal year finding initially occurred: 2018

Condition: The City did not have adequate policies and procedures regarding the cash collection process.

Recommendation: The City should revise policies and procedures reading the segregation of duties relative to cash collections, deposits and bank reconciliations.

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, 2019

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

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To the Mayor and Board of Aldermen of the
City of Scott, Louisiana and the
Louisiana Legislative Auditor

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they addressed each of the following categories and subcategories (if applicable to public funds and the entity'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, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- 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) requirement that all employees, including elected officials, annually attest through signature verification that they have read 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) **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.

Board or Finance Committee

(The following procedures were not performed since there were no exceptions in the prior year.)

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) Obtain the prior year audit report and observe 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 unassigned fund balance in the General Fund.

Bank Reconciliations

- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity'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

- 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 selected the entity's only deposit site for testing.
- 5. For the deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We selected the one collection location for the deposit site, 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 the collection location, and observed that job duties are properly segregated at the 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 inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 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.* Obtained supporting documentation for each of the 10 deposits and:
 - a) We observed that receipts are sequentially pre-numbered.
 - b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) We traced the deposit slip total to the actual deposit per the bank statement.
 - d) We 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).
 - e) We 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)

(The following procedures were not performed since there were no exceptions in the prior year.)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Select the one location that processes payments.
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - 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, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included 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 was 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, randomly select one monthly bank statement), obtained supporting documentation, and:
 - a) 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, by someone other than the authorized card holder.
 - b) 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, 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, 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 participated in meals (for meal charges only).

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

(The following procedures were not performed since there were no exceptions in the prior year.)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

(The following procedures were not performed since there were no exceptions in the prior year.)

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

(The following procedures were not performed since there were no exceptions in the prior year.)

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

(The following procedures were not performed since there were no exceptions in the prior year.)

20. Using the 5 randomly select employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

(The following procedures were not performed since there were no exceptions in the prior year.)

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

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

Other

(The following procedures were not performed since there were no exceptions in the prior year.)

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

Exceptions:

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

Cash Collections:

1. Cash collections are not being deposited in a timely manner.

Management's response: Management will ensure deposits are made daily in accordance with the City's policies and procedures.

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

2. All five of the credit cards tested appear to be reviewed but not approved in writing by signature.

Management's response: The Mayor will review and approve, by signature, all monthly credit card statements.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the City of Scott and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 12, 2019