

**CITY OF JEANERETTE, LOUISIANA**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2019**

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	6
Statement of Activities	7
Fund Financial Statements	
Governmental Funds:	
Balance Sheet	10
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balances	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Proprietary Fund:	
Statement of Net Position	14
Statement of Revenues, Expenses, and Changes in Fund Net Position	15-16
Statement of Cash Flows	17-18
Agency Funds:	
Statement of Agency Assets and Liabilities	19
Notes to Financial Statements	20-54
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules:	
General Fund	56
Special Revenue Fund - 1% Sales Tax Fund	57
Notes to Budgetary Comparison Schedules	58
Schedule of Proportionate Share of Net Pension Liability and Contributions	59
OTHER SUPPLEMENTARY INFORMATION	
Nonmajor Governmental Funds:	
Combining Balance Sheet	61-62
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	63-64
Comparative Financial Statements:	
Government-Wide Financial Statements	
Schedule of Net Position	65
Schedule of Activities	66

(continued)

TABLE OF CONTENTS (continued)

	Page
<b>Fund Financial Statements</b>	
<b>Governmental Funds:</b>	
Balance Sheet	67
Schedule of Revenues, Expenditures and Changes in Fund Balances	68
<b>Proprietary Fund:</b>	
Schedule of Net Position	69
Schedule of Revenues, Expenses, and Changes in Fund Net Position	70-71
Schedule of Cash Flows	72-73
Schedule of Number of Utility Customers (Unaudited)	74
Schedule of Insurance in Force (Unaudited)	75
Schedule of Aged Accounts (Unaudited)	76
Schedule of Water and Sewer Rates (Unaudited)	77
Schedule of Expenditures of Federal Awards	78
Notes to Schedule of Expenditures of Federal Awards	79
 <b>INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	81-82
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	83-85
Summary Schedule of Prior Audit Findings	86
Schedule of Findings and Questioned Costs	87-89
Schedule of Findings of State Regulatory Agencies	90-95
Corrective Action Plan for Current Audit Findings	96-97

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## INDEPENDENT AUDITORS' REPORT

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Mayor Carol Bourgeois, Jr. and the  
Members of the Board of Aldermen  
City of Jeanerette  
Jeanerette, Louisiana

### Report on the Financial Statements

We have audited the accompanying Statement of Net Position of the governmental activities and the business-type activities, and the Balance Sheets of each major fund, and the aggregate remaining fund information of the City of Jeanerette, State Louisiana, as of June 30, 2019, and were engaged to audit the Statement of Activities of the governmental activities and business-type activities, the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows for the Proprietary Fund and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Statement of Activities of the governmental activities and business-type activities, the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows for the Proprietary Fund and the related notes to the financial statements, or the consistency of application of accounting principles with the preceding year.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the Statement of Net Position and Balance Sheets of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

### ***Opinions***

In our opinion, the Statement of Net Position of the governmental activities and the business-type activities, and the Balance Sheets each major fund, and the aggregate remaining fund information referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jeanerette, Louisiana, as of June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Disclaimer of Opinion***

Because of inadequacies in the City's prior year accounting records, we were unable to substantiate the beginning balances in the asset and liability accounts of the City. The beginning balances in the asset and liability accounts of the City have a material effect on the determination of the amounts presented in the Statement of Activities of the governmental activities and business-type activities, the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows for the Proprietary Fund and the related notes to the financial statements.

### ***Disclaimer of Opinion***

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions. Accordingly, we do not express opinions on the Statement of Activities, of the governmental activities and the business-type activities, the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows for the Proprietary Fund, and the notes to the financial statements. We also do not express an opinion on the consistency of application of accounting principles with the preceding year.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 56-58 and other required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the

information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the 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 historic 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 Jeanerette, Louisiana's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The combining and individual nonmajor fund financial statements 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 December 20, 2019, on our consideration of the City of Jeanerette, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Jeanerette, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Jeanerette, Louisiana's internal control over financial reporting and compliance.

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.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*  
WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
(Certified Public Accountants)

Lafayette, Louisiana  
December 20, 2019

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**CITY OF JEANERETTE, LOUISIANA**

**Statement of Net Position  
June 30, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Interest-Bearing Deposits	\$ 1,144,163	\$ 156,180	\$ 1,300,343
Investments	15,801	250,708	266,509
<b>Receivables:</b>			
Accounts Receivable, Net	-	355,027	355,027
Ad Valorem Receivables, Net	209,815	-	209,815
Due from other Governmental Units	120,968	-	120,968
Other Receivables	67,723	-	67,723
Prepaid Items	<u>68,339</u>	<u>32,782</u>	<u>101,121</u>
Total Current Assets	<u>1,626,809</u>	<u>794,697</u>	<u>2,421,506</u>
<b>Noncurrent Assets:</b>			
Restricted Assets	-	130,738	130,738
Capital Assets, Net	<u>6,407,202</u>	<u>10,662,062</u>	<u>17,069,264</u>
Total Noncurrent Assets	<u>6,407,202</u>	<u>10,792,800</u>	<u>17,200,002</u>
Total Assets	<u>8,034,011</u>	<u>11,587,497</u>	<u>19,621,508</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related	<u>706,935</u>	<u>52,035</u>	<u>758,970</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	196,761	75,873	272,634
Accrued Liabilities	37,601	18,305	55,906
Lease Payable	45,655	-	45,655
Bond Payable	32,652	47,465	80,117
Accrued Interest Payable	64,588	-	64,588
Interfund Balances	<u>30,917</u>	<u>26,149</u>	<u>57,066</u>
Total Current Liabilities	<u>408,174</u>	<u>167,792</u>	<u>575,966</u>
<b>Noncurrent Liabilities:</b>			
Customers' Deposits Payable	-	132,505	132,505
Lease Payable	70,016	-	70,016
Net Pension Liability	2,504,507	170,234	2,674,741
Bond Payable	<u>1,532,977</u>	<u>2,227,513</u>	<u>3,760,490</u>
Total Noncurrent Liabilities	<u>4,107,500</u>	<u>2,530,252</u>	<u>6,637,752</u>
Total Liabilities	<u>4,515,674</u>	<u>2,698,044</u>	<u>7,213,718</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related	<u>352,980</u>	<u>24,595</u>	<u>377,575</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,407,202	10,662,062	17,069,264
<b>Restricted For:</b>			
Debt Service	1,630,217	-	1,630,217
Other Purposes	839,953	132,505	972,458
Unrestricted (Deficit)	<u>(5,005,080)</u>	<u>(1,877,674)</u>	<u>(6,882,754)</u>
Total Net Position	<u>\$ 3,872,292</u>	<u>\$ 8,916,893</u>	<u>\$ 12,789,185</u>

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

**CITY OF JEANERETTE, LOUISIANA**

**Statement of Activities  
Year Ended June 30, 2019**

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>						
General Government	\$ 2,114,922	\$ 671,942	\$ 463,648	\$ (979,332)	\$ -	\$ (979,332)
Public Safety:						
Police	587,183	17,916	5,568	(563,699)	-	(563,699)
Fire	119,152	21,592	-	(97,560)	-	(97,560)
Highways and Streets	602,260	-	-	(602,260)	-	(602,260)
Interest on Debt	64,588	-	-	(64,588)	-	(64,588)
Total Governmental Activities	3,488,105	711,450	469,216	(2,307,439)	-	(2,307,439)
<b>Business-Type Activities:</b>						
Garbage, Water, and Sewer	1,773,907	1,389,104	98,915	-	(285,888)	(285,888)
<b>Total</b>	<b>\$ 5,262,012</b>	<b>\$ 2,100,554</b>	<b>\$ 568,131</b>	<b>(2,307,439)</b>	<b>(285,888)</b>	<b>(2,593,327)</b>
<b>General Revenues:</b>						
Taxes -						
Property Taxes				624,894	-	624,894
Sales and Use Taxes				1,007,441.23	-	1,007,441
Franchise Taxes				521,111	-	521,111
Grants and Contributions Not Restricted to Specific Programs -						
State Sources				7,142	-	7,142
Non-Employer Pension Contribution				44,213	2,564	46,777
Interest and Investment Earnings				10,816	7,106	17,922
Miscellaneous				144,204	98,578	242,782
Transfers				101,047	(101,047)	-
Total General Revenues and Transfers				2,460,868	7,201	2,468,069
Change in Net Position				153,429	(278,687)	(125,258)
Net Position, as Restated - July 1, 2018				3,718,863	9,195,580	12,914,443
Net Position - June 30, 2019				<u>\$ 3,872,292</u>	<u>\$ 8,916,893</u>	<u>\$ 12,789,185</u>

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

**FUND FINANCIAL STATEMENTS**

## **MAJOR FUNDS' DESCRIPTIONS**

### **GENERAL FUND**

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

### **SPECIAL REVENUE FUNDS**

#### **1% Sales Tax Fund**

To account for the receipt and use of proceeds of the City's one percent (1%) sales and use tax.

### **ENTERPRISE FUND**

#### **Utility Fund**

To account for the provision of water, sewer, and sanitation 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 JEANERETTE, LOUISIANA**

**Balance Sheet  
Governmental Funds  
June 30, 2019**

	General	1% Sales Tax	Other Governmental Funds	Total
<b>ASSETS</b>				
Cash	\$ 42,801	\$ -	\$ 500,506	\$ 737,966
Interest-Bearing Deposits	182,040	194,659	224,156	406,196
Investments	14	-	15,787	15,801
Receivables:				
Ad Valorem	7,771	-	-	7,771
Due from other Funds	20,862	446	-	21,308
Due from other Governmental Units	35,196	-	85,772	120,968
Other Receivables	67,723	-	-	67,723
Prepaid Items	57,628	-	10,711	68,339
<b>Total Assets</b>	<b><u>\$ 414,035</u></b>	<b><u>\$ 195,105</u></b>	<b><u>\$ 836,932</u></b>	<b><u>\$ 1,446,072</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 105,567	\$ -	\$ 91,193	\$ 196,760
Accrued Liabilities	34,986	-	2,615	37,601
Due to other Funds	52,225	-	-	52,225
<b>Total Liabilities</b>	<b><u>192,778</u></b>	<b><u>-</u></b>	<b><u>93,808</u></b>	<b><u>286,586</u></b>
 <b>Fund Balances:</b>				
Nonspendable	57,628	-	-	57,628
Restricted	-	195,105	743,124	938,229
Committed	40,910	-	-	40,910
Unassigned	122,719	-	-	122,719
<b>Total Fund Balances</b>	<b><u>221,257</u></b>	<b><u>195,105</u></b>	<b><u>743,124</u></b>	<b><u>1,159,486</u></b>
 <b>Total Liabilities and Fund Balances</b>	<b><u>\$ 414,035</u></b>	<b><u>\$ 195,105</u></b>	<b><u>\$ 836,932</u></b>	<b><u>\$ 1,446,072</u></b>

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

CITY OF JEANERETTE, LOUISIANA

Reconciliation of Total Governmental Fund Balance to Net Position  
of Governmental Activities  
June 30, 2019

Total Fund Balances for Governmental Funds		\$ 1,159,486
Total net position reported for governmental activities in the statement of net position is different because:		
The deferred outflows of expenditures for the various pensions are not a use of current resources, and therefore, are not reported in governmental funds		
		706,935
The deferred inflows of contributions for the various pensions are not available resources, and therefore, are not reported in the funds		
		(352,980)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	578,049	
Construction in Progress	144,383	
Buildings	11,946,678	
Improvements	6,858,302	
Equipment, Furniture, and Fixtures	2,865,088	
Accumulated Depreciation	<u>(15,985,298)</u>	
		6,407,202
Certain receivables are not available to pay for current period's expenditures and, therefore, are not reported in the funds		
		202,044
Noncurrent liabilities, including bonds payable, not due and payable in the current period and therefore are not reported as liabilities in the funds:		
Bonds Payable	(1,565,629)	
Accrued Interest Payable	(64,588)	
Net Pension Liability	(2,504,507)	
Leases Payable	<u>(115,671)</u>	
		<u>(4,250,395)</u>
Total Net Position of Governmental Activities		\$ <u>3,872,292</u>

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

**CITY OF JEANERETTE, LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2019**

	<u>General</u>	<u>1% Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Revenues:</b>				
Taxes	\$ 999,107	\$ 525,319	\$ 540,888	\$ 2,065,314
Licenses and Permits	88,134	-	-	88,134
Intergovernmental	481,530	-	415,903	897,433
Fines and Forfeits	6,141	-	-	6,141
Miscellaneous	437,185	114	1,956	439,255
Total Revenues	<u>2,012,097</u>	<u>525,433</u>	<u>958,747</u>	<u>3,496,277</u>
<b>Expenditures:</b>				
Current -				
General Government	1,729,526	40,710	127,363	1,897,599
Public Safety:				
Police	514,772	-	-	514,772
Fire	109,576	-	-	109,576
Highways and Streets	411,893	-	-	411,893
Urban Development and Housing	-	-	179,115	179,115
Capital Outlay	32,607	-	144,383	176,990
Debt Service -				
Principal Retirement	-	-	31,364	31,364
Interest and Fiscal Charges	-	-	65,876	65,876
Total Expenditures	<u>2,798,374</u>	<u>40,710</u>	<u>548,101</u>	<u>3,387,185</u>
<b>Excess (Deficiency)</b>				
of Revenues Over Expenditures	<u>(786,277)</u>	<u>484,723</u>	<u>410,646</u>	<u>109,092</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	877,370	-	15,000	892,370
Transfers Out	<u>(25,555)</u>	<u>(408,000)</u>	<u>(357,768)</u>	<u>(791,323)</u>
Total Other Financing Sources (Uses)	<u>851,815</u>	<u>(408,000)</u>	<u>(342,768)</u>	<u>101,047</u>
Net Changes in Fund Balances	65,538	76,723	67,878	210,139
Fund Balances, Beginning (Restated)	<u>155,719</u>	<u>118,382</u>	<u>675,246</u>	<u>949,347</u>
Fund Balances, Ending	<u>\$ 221,257</u>	<u>\$ 195,105</u>	<u>\$ 743,124</u>	<u>\$ 1,159,486</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF JEANERETTE, LOUISIANA**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities:**

**Year Ended June 30, 2019**

Total net changes in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 210,139
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation. expense.		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	176,990	
Depreciation expense for the year ended	<u>(399,786)</u>	(222,796)
Repayment of debt obligations is an expenditure in the governmental funds, but reduces the liability in the statement of net position.		
Bond Payments	31,364	
Lease Payments	<u>41,392</u>	72,756
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds		
Non-Employer Pension Contributions		44,213
Expenses reported in the statements of activities are recognized when liabilities are incurred; while expenditures are recognized at the fund level when cash payments are made. The amounts below represent the difference between the expenses incurred at the government-wide level and the current financial resources expended at the fund level.		
Interest Expense	1,289	
Pension Expense	<u>47,828</u>	49,117
Total Changes in Net Position per Statement of Activities		<u>\$ 153,429</u>

The accompanying notes are an integral part of these financial statements.



**CITY OF JEANERETTE, LOUISIANA**

**Statement of Net Position  
Proprietary Fund  
June 30, 2019**

	Enterprise Fund
<b>ASSETS</b>	
Current Assets:	
Cash and Interest-Bearing Deposits	\$ 156,180
Investments	250,708
Receivables, Net	355,027
Prepaid Items	<u>32,782</u>
Total Current Assets	<u>794,697</u>
Noncurrent Assets:	
Restricted Assets -	
Cash and Interest-Bearing Deposits	130,738
Capital Assets, Net of Accumulated Depreciation	<u>10,662,062</u>
Total Noncurrent Assets	<u>10,792,800</u>
Total Assets	<u>11,587,497</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Related	<u>52,035</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	75,873
Accrued Liabilities	18,305
Bond Payable:	
Revenue Bonds	47,465
Due To Other Funds	<u>26,149</u>
Total Current Liabilities	<u>167,792</u>
Noncurrent Liabilities:	
Bond Payable:	
Payable From Restricted Assets -	
Revenue Bond	2,227,513
Customers' Deposits Payable	132,505
Net Pension Liability	<u>170,234</u>
Total Noncurrent Liabilities	<u>2,530,252</u>
Total Liabilities	<u>2,698,044</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related	<u>24,595</u>
<b>NET POSITION</b>	
Net Investment In Capital Assets	10,662,062
Unrestricted	<u>(1,745,169)</u>
Total Net Position	<u>\$ 8,916,893</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF JEANERETTE, LOUISIANA**

**Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
Year Ended June 30, 2019**

	Enterprise Fund
<b>Operating Revenues:</b>	
Charges For Services -	
Water Sales	\$ 571,898
Sewer Service Charges	416,080
Garbage Revenue	285,726
Connections and Installations	22,831
Penalties	91,400
Miscellaneous	1,169
Total Operating Revenues	1,389,104
 <b>Operating Expenses:</b>	
Chemicals	63,377
Consulting and Testing Fees	21,179
Depreciation Expense	537,429
Equipment Rental	1,927
Garbage Service Contract	264,763
Insurance	92,874
Interest Expense	50,596
Miscellaneous	11,803
Office Expense	15,875
Payroll Taxes	3,741
Salaries and Benefits	154,999
Professional Fees	150,498
Supplies and Repairs	206,764
Utilities and Telephone	198,082
Total Operating Expenses	1,773,907
 Operating Loss	 \$ (384,803)

(continued)

The accompanying notes are an integral part of these financial statements.

**CITY OF JEANERETTE, LOUISIANA**

**Statement of Revenues, Expenses, and Changes in  
Fund Net Position (continued)  
Proprietary Fund  
Year Ended June 30, 2019**

	<u>Enterprise Fund</u>
Nonoperating Revenues (Expenses):	
Grant Revenue	\$ 98,915
Other Revenue	98,578
Non-Employer Pension Contributions	2,564
Interest Income	<u>7,106</u>
Net Nonoperating Revenues	<u>207,163</u>
Loss Before Contributions and Transfers	<u>(177,640)</u>
Transfers In	85,555
Transfers Out	<u>(186,602)</u>
Total Transfers	<u>(101,047)</u>
Change In Net Position	(278,687)
Net Position, Beginning (Restated)	<u>9,195,580</u>
Net Position, Ending	<u>\$ 8,916,893</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF JEANERETTE, LOUISIANA**

**Statement of Cash Flows  
Proprietary Fund  
Year Ended June 30, 2019**

	<u>Enterprise Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Receipts from Customers	\$ 1,059,062
Receipts from Other Governmental Entities	197,493
Payments to Suppliers	(1,077,738)
Payments to Employees	(158,740)
Other Receipts	<u>285,612</u>
Net Cash Provided by Operating Activities	<u>305,689</u>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Payments to Other Funds	<u>(188,356)</u>
Net Cash (Used In) Noncapital Financing Activities	<u>(188,356)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Acquisition of Property, Plant and Equipment	(132,969)
Payment on Debt	<u>(46,352)</u>
Net Cash (Used In) Capital and Related Financing Activities	<u>(179,321)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest on Investments	<u>7,106</u>
Net Cash Provided By Investing Activities	<u>7,106</u>
Net Decrease in Cash and Cash Equivalents	(54,882)
Cash, Cash Equivalents, and Restricted Cash, Beginning	<u>341,800</u>
Cash, Cash Equivalents, and Restricted Cash, Ending	<u>\$ 286,918</u>

(continued)

The accompanying notes are an integral part of these financial statements.

**CITY OF JEANERETTE, LOUISIANA**

**Statement of Cash Flows (continued)  
Proprietary Fund  
Year Ended June 30, 2019**

	<u>Enterprise Fund</u>
Reconciliation of Operating Loss to Net Cash Provided By Operating Activities:	
Operating Loss	\$ (384,803)
Adjustments to Reconcile Operating Loss to Net Cash Provided By Operating Activities:	
Depreciation	537,429
Changes in Current Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	15,322
(Increase) Decrease in Prepaid Items	(32,782)
Increase (Decrease) in Accounts Payable	204,105
Increase (Decrease) in Accrued Liabilities	<u>(33,582)</u>
 Net Cash Provided By Operating Activities	 <u>\$ 305,689</u>
 Reconciliation of Cash and Cash Equivalents Per Statement of Cash Flows to the Balance Sheet:	
 Cash and Cash Equivalents, Beginning of Period -	
Cash - Unrestricted	\$ 206,586
Cash - Restricted	<u>135,214</u>
Total Cash and Cash Equivalents	<u>341,800</u>
 Cash and Cash Equivalents, End of Period -	
Cash - Unrestricted	156,180
Cash - Restricted	<u>130,738</u>
Total Cash and Cash Equivalents	<u>286,918</u>
 Net Decrease in Cash and Cash Equivalents	 <u>\$ (54,882)</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF JEANERETTE, LOUISIANA**

**Statement of Agency Assets and Liabilities  
June 30, 2019**

	Agency Funds		Total Agency Funds
	Payroll	Disbursement	
<b>ASSETS</b>			
Cash	\$ 6,100	\$ 462	\$ 6,562
Receivables:			
Due from other Funds	76,523	3,604	80,127
Total Assets	\$ 82,623	\$ 4,066	\$ 86,689
<b>LIABILITIES</b>			
Liabilities:			
Accrued Liabilities	\$ 59,562	\$ 4,066	\$ 63,628
Due to other Funds	23,061	-	23,061
Total Liabilities	\$ 82,623	\$ 4,066	\$ 86,689

The accompanying notes are an integral part of these financial statements.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the City of Jeanerette (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Such accounting and reporting procedures also conform to the requirements of the *Louisiana Governmental Audit Guide* and to the industry audit guide, *Audits of State and Local 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**

Governmental Accounting Standards Board Statement 14, *The Financial Reporting Entity*, established criteria for determining which component units should be considered part of the City for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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

Based upon the application of the above criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

The following organizations are related organizations which have not been included in the reporting entity:

Jeanerette Volunteer Fire Department –

The Jeanerette Volunteer Fire Department is governed by a group of volunteer citizens. The Jeanerette Volunteer Fire Department is not fiscally dependent on the City; however, the City includes certain revenues received and expenditures paid for the Fire Department as part of its general fund.

**CITY OF JEANERETTE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**A. Financial Reporting Entity - continued**

**Jeanerette City Court –**

The Jeanerette City Court is administered by an independently elected official. Although the City does provide facilities and some of its financing, no control is exercised over its operations.

**Bicentennial Park and Museum Board –**

The Mayor and Board of Alderman are responsible for appointing the members of the Board, but the City's accountability for this organization does not extend beyond making these appointments.

**B. Basis of Presentation**

**Government-Wide Financial Statements**

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 non-exchange 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.

**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 maintained is consistent with legal and managerial requirements.



**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**B. Basis of Presentation - continued**

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

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

Governmental funds are those through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The major funds of the City are described below:

**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**

**1% Sales Tax Fund –**

The 1% Sales Tax Fund is used to account for the receipt and use of proceeds of the City's 1% sales and use tax.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**B. Basis of Presentation - continued**

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's enterprise fund is the Utility Fund.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds –

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

Debt Service Funds –

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

Capital Project Funds –

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**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 JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**C. Measurement Focus/Basis of Accounting – 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 expendable financial resources during a given period. These funds use fund balance as their measure of available expendable 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, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized 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 City 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 JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**D. Assets, Liabilities 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, cash equivalents, and restricted cash," 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. 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 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 assets.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**D. Assets, Liabilities and Equity - continued**

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5-7 years
Utility System and Improvements	25 years
Infrastructure	20-50 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 that are legally restricted as to their use. The restricted assets are related to the revenue bond 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 are reported as liabilities in the government-wide statements. Long-term debt consists primarily of compensated absences payable, rental deposits payable, 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.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**D. Assets, Liabilities and Equity - continued**

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation credits earned by employees range from 4 hours per month to 14 hours per month depending upon length of service. Two-thirds (2/3) of vacation credits earned during an employment year must be taken that year. Only one-third (1/3) of accumulated vacation time may be carried over to the following year. Employees may accumulate a maximum of 120 sick days, and any sick leave credit due to an employee whose service with the City is terminated by reason of resignation or discharge is canceled.

Equity Classifications

Government-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- a. Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

Proprietary fund equity is classified the same as in the government-wide statements. In the fund statements, governmental fund equity is classified as fund balance. Fund balance for the City’s governmental funds is displayed depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balances 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 government.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**D. Assets, Liabilities and Equity - continued**

- c. Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Alderman. The Board is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Board members.
- 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. Under the City’s adopted policy, only the Board of Alderman may assign amounts for specific purposes.
- e. Unassigned – all other spendable amounts.

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

**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 by function and character in governmental funds and as operating or non-operating in proprietary funds.

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 JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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>
Ad Valorem tax	See Note 8
Sales tax	See Note 9

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

**G. Capitalization of Interest Expense**

It is the policy of the City to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2019, there were no borrowings for assets under construction which resulted in the capitalization of interest expense.

**H. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 basic financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**(2) CASH, INTEREST-BEARING DEPOSITS AND INVESTMENTS**

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 \$1,431,081 as follows:

Demand Deposits	\$ 1,337,239
Time Deposits	100,403
Total	<u>\$ 1,437,642</u>



**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(2) CASH, INTEREST-BEARING DEPOSITS AND INVESTMENTS - continued**

Under state law, 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 were secured as follows:

Bank Balances	<u>\$ 1,605,126</u>
Federal Deposit Insurance	601,047
Uninsured and Collateralized with Securities	<u>1,132,386</u>
Total FDIC Insurance and Pledged Securities	<u>\$ 1,733,433</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 the City will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. The City does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. At June 30, 2019, deposits in the amount of \$38,433 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.

**Investments**

At June 30, 2019, the City's investments totaled \$266,509 as follows:

Description	Approximate Fair Value
<b>Governmental Activities:</b>	
Louisiana Asset Management Pool (LAMP)	\$ 15,801
<b>Business-Type Activities:</b>	
Louisiana Asset Management Pool (LAMP)	<u>250,708</u>
	<u>\$ 266,509</u>

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.

GASB Statements No. 40, *Deposit and Investment Risk Disclosure*, requires the disclosure of credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk for all public entity investments.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(2) CASH, INTEREST-BEARING DEPOSITS AND INVESTMENTS - continued**

LAMP is a 27a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

Credit Risk – LAMP is rated AAAM by Standard & Poor’s.

Custodial Credit Risk – LAMP participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity’s investment is with the pool, not with the securities that make up the pool; therefore, no disclosure is required.

Concentration of Credit Risk – pooled investments are excluded from the 5 percent disclosure requirement.

Interest 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 33 (from LAMP’s monthly Statement of Net Assets) as of June 30, 2019.

Foreign Currency Risk – not applicable to 2a7-like pools.

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 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.

**(3) RECEIVABLES**

Receivables at June 30, 2019 consist of the following:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Accounts Receivable	\$ -	\$ 474,004	\$ 474,004
Ad Valorem	277,162	-	277,162
Other Receivables	67,723	-	67,723
Due from Other Governments	120,968	-	120,968
Less: Allowance for Uncollectible	<u>(67,347)</u>	<u>(118,977)</u>	<u>(186,324)</u>
Net Receivables	<u>\$ 398,506</u>	<u>\$ 355,027</u>	<u>\$ 753,533</u>

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(4) RESTRICTED ASSETS**

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

	<u>Business-Type Activities</u>
Cash and Interest-Bearing Deposits	<u>\$ 156,180</u>

**(5) CAPITAL ASSETS**

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

	<u>(Restated) Balance 07/01/18</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 06/30/19</u>
<b>Governmental Activities:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 578,049	\$ -	\$ -	\$ 578,049
Construction in Progress	-	144,383	-	144,383
<b>Capital Assets Being Depreciated:</b>				
Buildings	11,946,678	-	-	11,946,678
Improvements, Other Than Buildings	6,858,302	-	-	6,858,302
Equipment, Furniture and Fixtures	3,312,683	32,607	(480,202)	2,865,088
<b>Totals</b>	<u>22,695,712</u>	<u>176,990</u>	<u>(480,202)</u>	<u>22,392,500</u>
<b>Less: Accumulated Depreciation:</b>				
Buildings	10,666,352	41,785	-	10,708,137
Improvements, Other Than Buildings	3,263,934	186,680	-	3,450,614
Equipment, Furniture and Fixtures	1,676,843	171,321	(21,617)	1,826,547
<b>Total Accumulated Depreciation</b>	<u>15,607,129</u>	<u>399,786</u>	<u>(21,617)</u>	<u>15,985,298</u>
<b>Governmental Activities, Capital Assets, Net</b>	<u>\$ 7,088,583</u>	<u>\$ 222,796</u>	<u>\$ (458,585)</u>	<u>\$ 6,407,202</u>

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(5) CAPITAL ASSETS - continued**

	(Restated) Balance <u>07/01/18</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>06/30/19</u>
<b>Business-Type Activities:</b>				
Capital Assets Not Being Depreciated:				
Land-Sewer System	\$ 71,602	\$ -	\$ -	\$ 71,602
Capital Assets Being Depreciated:				
Water System	15,331,366	117,969	(50,933)	15,398,402
Sewer System	4,270,612	-	(144,153)	4,126,459
Machinery and Equipment	383,945	15,000	(31,445)	367,500
Totals	<u>20,057,525</u>	<u>132,969</u>	<u>(226,531)</u>	<u>19,963,963</u>
Less: Accumulated Depreciation:				
Water System	6,995,553	372,506	(2,479)	7,365,580
Sewer System	1,621,010	113,942	(12,426)	1,722,526
Machinery and Equipment	163,868	50,982	(1,054)	213,796
Total Accumulated Depreciation	<u>8,780,431</u>	<u>537,430</u>	<u>(15,959)</u>	<u>9,301,902</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 11,277,094</u>	<u>\$ 404,461</u>	<u>\$ (210,572)</u>	<u>\$ 10,662,061</u>

Depreciation expense was charged to functions/programs as follows:

<b>Governmental Activities:</b>	
General Government	\$ 99,241
Public Safety-	
Police	108,194
Fire	1,983
Highway and Streets	190,368
Total Depreciation Expense – Governmental Activities	<u>\$ 399,786</u>
<b>Business-Type Activities:</b>	
Water	\$ 372,506
Sewer	113,942
Machinery and Equipment	50,982
Total Depreciation Expense-Business-Type Activities	<u>\$ 537,430</u>

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(6) ACCOUNTS AND OTHER PAYABLES**

The accounts and other payables consisted of the following at June 30, 2019:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Accounts Payable	\$ 196,761	\$ 75,873	\$ -	\$ 272,634
Accrued Liabilities	<u>37,601</u>	<u>18,305</u>	<u>63,628</u>	<u>119,534</u>
Totals	<u>\$ 234,362</u>	<u>\$ 94,178</u>	<u>\$ 63,628</u>	<u>\$ 392,168</u>

**(7) LONG-TERM LIABILITIES**

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

	<u>(Restated) 7/1/2018</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>6/30/2019</u>	<u>Due Within One Year</u>
<b>Governmental</b>					
<b>Activities:</b>					
<b>General Obligation</b>					
Bond	\$ 1,596,993	\$ -	\$ 31,364	\$ 1,565,629	\$ 32,652
Lease Payable	156,980	-	41,309	115,671	45,655
Net Pension Liability	<u>3,017,259</u>	<u>-</u>	<u>512,752</u>	<u>2,504,507</u>	<u>-</u>
<b>Total Long-Term       Liabilities</b>	<u>\$ 4,771,232</u>	<u>\$ -</u>	<u>\$ 585,425</u>	<u>\$ 4,185,807</u>	<u>\$ 78,307</u>
<b>Business-Type</b>					
<b>Activities:</b>					
<b>Customers' Deposits</b>					
Payable	\$ 130,000	\$ 2,505	\$ -	\$ 132,505	\$ -
Net Pension Liability	-	170,234	-	170,234	-
Revenue Bond	<u>2,321,331</u>	<u>-</u>	<u>46,353</u>	<u>2,274,978</u>	<u>47,465</u>
<b>Total Long-Term       Liabilities</b>	<u>\$ 2,451,331</u>	<u>\$172,739</u>	<u>\$ 46,353</u>	<u>\$ 2,577,717</u>	<u>\$ 47,465</u>

General obligation bonds issued for governmental activity purposes are liquidated by debt service funds.

Bond anticipation notes issued for governmental activity funded through interim financing provided by financial institutions with final funding provided by indebtedness through the USDA.

The liability for compensated absences is expected to be liquidated by the fund incurring the liability.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(7) LONG-TERM LIABILITIES - continued**

Long-term liabilities for business-type activities are satisfied by the City's enterprise fund (the utility fund).

General obligation bonds and revenue bonds at June 30, 2019 are comprised of the following individual issues:

**Governmental Activities:**

**General Obligation Bonds:**

\$1,870,000 2005 General Obligation Bonds due in annual installments of \$20,000 to \$94,000 through 7/13/2045; interest at 4.125% payable from the levy of a specific ad valorem tax

\$ 1,565,629

**Business-Type Activities:**

**USDA Revenue Bond**

\$2,463,000 Revenue bond due in monthly installments of \$8,079 through 12/10/2055: interest at 2.375%; payable from sewer revenues

\$ 2,274,978

The annual requirements to amortize all long-term debt outstanding as of June 30, 2019, including interest payments, are as follows:

Year Ending June30	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	General		USDA Revenue			
	<u>Obligation Bonds</u>		<u>Bond</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020-2024	\$177,328	\$308,872	\$ 249,000	\$ 235,740	\$ 426,328	\$ 544,612
2025-2029	217,046	269,154	280,363	204,377	497,409	473,531
2030-2034	265,660	220,540	315,677	169,063	581,337	389,603
2035-2039	325,163	161,037	355,438	129,302	680,601	290,339
2040-2044	397,994	88,206	400,208	84,532	798,202	172,738
2045-2049	182,438	11,350	450,617	34,123	633,055	45,473
2050-2054	-	-	223,675	803	223,675	803
	<u>\$1,565,629</u>	<u>\$859,159</u>	<u>\$2,274,978</u>	<u>\$ 857,940</u>	<u>\$3,844,607</u>	<u>\$1,917,099</u>

In accordance with Louisiana Revised Statute 39:562, the City is legally restricted from incurring long-term bonded debt payable solely from ad valorem taxations in excess of 35% of the assessed value of taxable property. At June 30, 2019, the statutory limit is \$7,254,951 and the outstanding bonded debt funded by ad valorem taxes, including interest, total \$2,424,788.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(8) AD VALOREM TAXES**

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

The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Iberia Parish.

For the year ended June 30, 2019, taxes of 36.88 mills were levied on property with assessed valuations totaling \$20,728,432 and were dedicated as follows:

General Corporate Purposes	28.13 mills
Debt Service:	
Water System Improvements	5.00 mills
General Obligation Bonds	3.75 mills

Total taxes levied for the year ended June 30, 2019 were \$592,688.

**(9) SALES AND USE TAX**

**A. Sales and Use Tax**

Proceeds of a 1% sales and use tax levied by the City (2019 collections, \$525,319; 2018 collections, \$425,573; and 2017 collections, \$442,789) dedicated to the following purposes:

Constructing, acquiring, extending, improving, operating and/or maintaining drainage facilities, street lighting facilities, sidewalks, sewers and sewerage disposal works, recreational facilities, public buildings and/or fire department stations and equipment, including fire engines; purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements and facilities; and maintaining and operating the municipal police department and garbage collection and disposal facilities, 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; and such tax to be subject to findings funding into bonds by the City into the manner authorized by Louisiana Revised Statutes of 1950.

**B. Sales and Use Tax (1973)**

Proceeds of a sales and uses tax levied by the City beginning in 1973 (2019 collections, \$131,330; 2018 collections, \$115,155; and 2017 collections, \$110,697) are dedicated to the following purposes:

Constructing, acquiring, extending, improving, operating and/or maintaining sewers and sewerage disposal works and waterworks facilities, and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, improvements and facilities.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(9) SALES AND USE TAX - continued**

**C. Sales and Use Tax (1985)**

Proceeds of a 1/4% sales and use tax levied by the City (2019 collections, \$131,330; 2018 collections, \$115,155; and 2017 collections, \$110,697) beginning in April 1985 are dedicated to and may be used for any lawful corporate purpose.

**D. Sales and Use Tax (2004)**

Proceeds of a 1/4% sales and use tax levied by the City (2019 collections, \$131,330; 2018 collections, \$115,155; and 2017 collections, \$110,697) beginning in April 2004 are dedicated to and may be used for any lawful corporate purpose.

**(10) RETIREMENT**

Eligible employees of the City participate in three multiple-employer public employee retirement systems (PERS) which are controlled and administered by separate boards of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Benefits under each system are established and amended by state statutes. Pertinent information for each system follows:

**Municipal Employees' Retirement System**

**Plan Description**

Substantially all employees of the City, other than police and firefighting employees, are members of the municipal Employees' Retirement System of Louisiana, a multiple-employer, public employee retirement system (MERS) controlled and administered by a separate board of trustees. All permanent employees working at least 35 hours per week who are paid wholly from City funds are eligible to participate. Contributions of participating agencies are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

The System is composed of two distinct plans – Plan A and Plan B – with separate assets and benefit provisions. All participants are members of Plan A. Under Plan A employees who retire at or after age 60 with at least 10 years of creditable service or at or any age with at least 25 years of creditable service are entitled to retirement benefits, payable monthly for life, equal to 3% of their final average salary in excess of \$100 for each year of creditable service. Furthermore, employees commencing at or after age 60, with the benefit reduced 3% for each year retirement precedes age 60. In any case, monthly retirement benefits paid under Plan A cannot exceed the lessor of 100% of final average salary or \$70 multiplied by total years of creditable service.

Final-average salary is the employee's average salary over 36 consecutive or joined months that produce the highest average. Employees to terminate with a least the amount of creditable service stated above and do not withdraw their contribution may retire at the ages specified above and do not withdraw their contribution may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. The same statute establishes these benefits.



**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(10) RETIREMENT - continued**

**Funding Policy**

Contributions to the System include ¼ of 1% of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge. These tax dollars are divided between Plans A and B, based proportionately on the salaries of the active members of each plan. State statutes require covered employees to contribute a percentage of their salaries to the System.

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. Plan members are required to contribute 9.5% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 24.75% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2019, 2018 and 2017 were \$202,081, \$125,051 and \$139,492 respectively, equal to the required contribution for each year.

Under present statutes, the City does not guarantee the benefits granted by the System.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Employees' Retirement System, 79337 Office Park Blvd., Baton Rouge, LA 70809.

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

At June 30, 2019, the City reported a liability totaling \$1,891,491 for its proportionate share of the net pension liability for the Fund. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net Pension was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion was 0.456807% for the Fund.

For the year ended June 30, 2018, the City recognized pension expense for the Fund totaling \$201,963. Deducted from pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions total \$(1,312) for the Fund.

For the year ended June 30, 2019, the City recognized revenue from ad valorem taxes and revenue sharing funds received by the Fund. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities totaling \$28,494.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(10) RETIREMENT - continued**

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

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the Fund:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 67,251
Change in assumptions	56,940	-
Changes in proportion	-	206,026
Net difference between projected and actual earnings on pension plan investments	289,860	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>220,350</u>	<u>-</u>
	<u>\$ 567,150</u>	<u>\$ 273,277</u>

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

Year Ended June 30:

2019	\$ 31,812
2020	7,860
2021	25,566
2022	8,284
	<u>\$ 73,522</u>

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(10) RETIREMENT - continued**

**Actuarial Assumptions**

The total pension liability in the June 30, 2018 actuarial valuation for the Fund was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	June 30, 2018
Actuarial Cost Method:	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return:	7.275% of net investment expense, including inflation
Salary increases, including inflation and merit increases:	5.0%
Mortality Rates:	RP-2000 Employees Sex Distinct Table (set back 2 years for both males and females) RP-2000 Disabled Lives Mortality Tables (set back 5 years for males and set back 3 years for females) RP-2000 Healthy Annuitant Sex Distinct Mortality Tables (set forward 2 years for males and 1 year for females)
Expected Remaining Service Lives:	3 years
Cost of Living Adjustments:	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

**Discount Rate**

The long-term expected rate of return on pension plan investments 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.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(10) RETIREMENT - continued**

**Discount Rate - continued**

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Equity	50%	2.2%
Public Fixed Income	35%	1.5%
Alternatives	15%	0.6%
Totals	<u>100%</u>	<u>4.3%</u>
Inflation		2.7%
Expected Arithmetic Nominal Return		7.0%

The discount rate used to measure the total pension liability was 7.275% for the year ended June 30, 2018. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the Net Pension Liability using the discount rate of 7.275%, as well as what the City's proportionate share of the Net Pension Liability/(Asset) would be if it were calculated using a discounted rate that is one percentage point lower, or one percentage point higher than the current rate:

	1% Decrease 6.275%	Current Discount Rate 7.275%	1% Increase 8.275%
City's proportionate share of the Net Pension Liability/(Asset)	\$ 2,429,792	\$ 1,891,491	\$ 1,432,031

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(10) RETIREMENT - continued**

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - continued**

Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone audit report on their financial statements for the year ended June 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.lia.la.gov](http://www.lia.la.gov).

At June 30, 2019, the City recorded a payable to the Plan of \$22,324 which represents the legally required contribution for June 2019.

**Municipal Police Employees' Retirement System**

**Plan Description**

All employees of the City's Police Department are members of the Municipal Police Employees Retirement System of Louisiana, a multiple-employer retirement system (MPERS) controlled and administered by a separate board of trustees. Membership is mandatory for any full-time police officer employed by a municipality and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria, with contribution rates approved by the Louisiana Legislature.

***Membership Prior to January 1, 2013***

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

Benefit rates are three and one-third percent (3 1/3%) of average final compensation (average monthly earnings during the highest 36 consecutive month joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children.

Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent (40%-60%) of the members' average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent (10%) of the member's average final compensation or \$200 per month.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. The same statute establishes these benefits.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(10) RETIREMENT - continued**

***Membership Commencing January 1, 2013 - continued***

Member eligibility for regular retirement, early retirement, disability, and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he or she has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent (25%-55%) of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent (10%) of average final compensation or \$200 per month, whichever is greater. If a deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

**Funding Policy**

Contributions to the System include 1/4 of 1% of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge. State statutes require covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Plan members are required to contribute 10% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 30.75% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2019, 2018, and 2017 were \$87,780, \$89,143, and \$106,651, respectively, equal to the required contribution for each year. Under present statutes, the City does not guarantee the benefits granted by the System. A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Police Employees' Retirement System, P. O. Box 94095, Baton Rouge, LA 70804-9095.

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

At June 30, 2019, the City reported a liability totaling \$783,252 for its proportionate share of the net pension liability for the Fund. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(10) RETIREMENT - continued**

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

The City's proportion of the Net Pension was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the City's proportion was 0.092648% for the Fund.

For the year ended June 30, 2019, the City recognized pension expense for the Fund totaling \$50,378. Deducted from pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions total \$906 for the Fund.

For the year ended June 30, 2019, the City recognized revenue from ad valorem taxes and revenue sharing funds received by the Fund. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities totaling \$18,283.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,531	\$ 40,026
Change in assumptions	51,185	-
Net difference between projected and actual earnings on pension plan investments	37,547	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	86,690	406
	\$ 178,953	\$ 40,432

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

Year Ended June 30:

2019	\$ 61,319
2020	40,708
2021	(21,457)
2022	1,364
	\$ 81,934

CITY OF JEANERETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

(10) RETIREMENT - continued

Valuation Date	June 30, 2018	
Actuarial Cost Method:	Entry Age Normal Cost	
Investment Rate of Return:	7.20% of net investment expense, including inflation	
Salary increases, including inflation and merit increases:	Years of Service	Salary Growth Rate
	1-2	9.75%
	3-23	4.75%
	Over 23	4.25%

Mortality Rates:

RP-2000 Combined healthy and Blue Collar Adjustment Sex distinct tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries.  
RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.  
RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.

Expected Remaining Service Lives

4 years

Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

Mortality Rate

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014, and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.



**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(10) RETIREMENT – continued**

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System’s target allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	52%	3.58%
Fixed Income	22%	0.46%
Alternatives	20%	1.07%
Other	6%	0.17%
Totals	<u>100%</u>	<u>5.28%</u>
 Inflation		2.75%
 Expected Arithmetic Nominal Return		8.03%

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City’s proportionate share of the Net Pension Liability using the discount rate of 7.20%, as well as what the City’s proportionate share of the Net Pension Liability/(Asset) would be if it were calculated using a discounted rate that is one percentage point lower, or one percentage point higher than the current rate:

	1% Decrease <u>6.20%</u>	Current Discount Rate <u>7.20%</u>	1% Increase <u>8.20%</u>
City’s proportionate share of the Net Pension Liability/(Asset)	\$ 1,100,686	\$ 783,252	\$ 516,937

Detailed information about the pension plan’s fiduciary net position is available in the separately issued stand-alone audit report on their financial statements for the year ended June 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor’s website, [www.la.la.gov](http://www.la.la.gov).

At June 30, 2019, the City recorded a payable to the Plan of \$6,502 which represents the legally required contribution for June 2019.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(10) RETIREMENT - continued**

**Firefighters' Retirement System**

**Plan Description**

All employees of the City's Fire Department are members of the Firefighters' Retirement System of Louisiana, a multiple-employer retirement system (FRS) controlled and administered by a separate board of trustees. Membership is mandatory for any full-time firefighter who earns more than \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of Firefighters' Retirement System, providing he or she meets the statutory criteria, with contribution rates approved by the Louisiana Legislature.

Any person who becomes an employee as defined in the statutes on or after January 1, 1980 shall become a member as a condition of employment.

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

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

**Funding Policy**

Contributions to the System include 1/4 of 1% of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge. State statutes require covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11 : 103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Plan members are required to contribute 10% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 26.50% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2019, 2018, and 2017 were \$ -0-, \$ -0-, and \$ -0-, respectively, equal to the required contribution for each year. Under present statutes, the City does not guarantee the benefits granted by the System.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(10) RETIREMENT - continued**

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

At June 30, 2019, the City reported a liability totaling \$ -0- for its proportionate share of the net pension liability for the Fund. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net Pension was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion was 0.00% for the Fund.

For the year ended June 30, 2019, the City recognized pension expense for the Fund totaling \$(13,392). Deducted from pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions total \$ -0- for the Fund.

For the year ended June 30, 2019, the City recognized revenue from ad valorem taxes and revenue sharing funds received by the Fund. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities totaling \$ -0-.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the Fund:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,867	63,866
	\$ 12,867	\$ 63,866

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(10) RETIREMENT - continued**

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

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

Year Ended June 30:

2019	\$ (13,392)
2020	(13,393)
2021	(13,095)
2022	(13,508)
2023	(9,233)
	<u>\$ (62,621)</u>

**Actuarial Assumptions**

Valuation Date	June 30, 2018
Actuarial Cost Method:	Entry Age Normal Cost
Investment Rate of Return:	7.30% per annum (net of fees)
Salary increases, including inflation and merit increases:	Varies from 15% in the first two years of service to 4.75% after 25 years
Mortality Rates:	RP-2000 Combined healthy and Blue Collar Adjustment Sex distinct tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants. RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.
Expected Remaining Service Lives:	7 years
Cost of Living Adjustments:	Only those previously granted were included.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(10) RETIREMENT - continued**

**Actuarial Assumptions - continued**

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. Setbacks in these tables were used to approximate mortality improvement.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The resulting long-term expected arithmetic nominal rate of return was 8.09% as of June 30, 2018.

Best estimates of arithmetic real rates of return for each major class includes in the System's target asset allocation as of June 30, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Real Rate of Return</u>
Fixed Income	26%	2.04%
Equity	54%	6.78%
Alternatives	10%	6.56%
Other	<u>10%</u>	<u>4.60%</u>
Totals	<u>100%</u>	<u>19.98%</u>

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(10) RETIREMENT - continued**

**Sensitivity to Changes in Discount Rate**

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.30%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.40% or one percentage point higher 8.40% than the current rate as of June 30, 2018.

	1% Decrease 6.30%	Current Discount Rate 7.30%	1% Increase 8.30%
City's proportionate share of the Net Pension Liability/(Asset)	\$ -	\$ -	\$ -

The City did not participate in this retirement fund for the prior two reporting periods due to the nature of the fire department workforce. Subsequent to year end, the fire department employee is participating again.

At June 30, 2019, the City recorded a payable to the Plan of \$1,288 which represents the legally required contribution for June 2019.

**(11) OTHER POST EMPLOYMENT BENEFITS**

The City does not offer any post-employment benefits to its employees upon retirement.

**(12) CONTINGENCIES AND COMMITMENTS**

Litigation and Claims:

There are lawsuits presently pending against the City as of June 30, 2019. In the suits pending, legal counsel and elected officials are of the opinion that any unfavorable outcome in these cases would be within the limits of the City's insurance coverage.

Grant Audits:

The City receives grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the City, such allowances, if any, will not be significant.

IRS Compliance:

As of June 30, 2019, the City has been assessed civil penalties as well as failure to file penalties by the Internal Revenue Service for failing to timely file both quarterly payroll tax returns and annual Form W-2's for several years prior to being placed under fiscal administration. The City has been making payments toward these penalties and is also working toward having the civil penalties abated by the IRS. The amount of penalties and interest is estimated to be \$146,000 at June 30, 2019, this amount is not accrued on these financial statements as management feels the amounts will be reduced and/or abated by the Internal Revenue Service eventually.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(13) RISK MANAGEMENT**

The City is exposed to risks of loss in the areas of health care, 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. The City is insured up to policy limits for each of the above risks. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years.

**(14) INTERFUND TRANSACTIONS**

Interfund Balances

The composition of interfund balances at June 30, 2019 consisted of the following:

<u>Due To</u>	<u>Due From</u>			
	<u>General</u>	<u>Utility</u>	<u>Fiduciary Funds</u>	<u>Total</u>
General	\$ -	\$ -	\$ 20,862	\$ 20,862
Utility	-	-	1,754	1,754
Other Governmental	-	-	446	446
Fiduciary Funds	<u>52,225</u>	<u>27,903</u>	-	<u>80,128</u>
Totals	<u>\$ 52,225</u>	<u>\$ 27,903</u>	<u>\$ 23,062</u>	<u>\$103,190</u>

These receivables and payables reverse in the normal course of operations. All remaining balances resulted from time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payment between the funds are made.

Interfund Transfers

<u>Transfers Out:</u>	<u>Transfers In</u>			
	<u>General</u>	<u>Other Governmental</u>	<u>Utility</u>	<u>Total</u>
General Fund	\$ -	\$ -	\$ 25,555	\$ 25,555
1% Sales Tax	408,000	-	-	408,000
Other Governmental	282,768	15,000	60,000	357,768
Utility	<u>186,602</u>	-	-	<u>186,602</u>
Totals	<u>\$ 877,370</u>	<u>\$ 15,000</u>	<u>\$ 85,555</u>	<u>\$ 977,925</u>

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

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(15) FUND BALANCE**

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances:	<u>General</u>	<u>1% Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable -				
Prepaid Items	\$ 57,628	\$ -	\$ -	\$ 57,628
Total Fund Balances- Nonspendable	<u>57,628</u>	<u>-</u>	<u>-</u>	<u>57,628</u>
Restricted For -				
Special Programs	-	-	743,124	,743,124
Sales and Use Tax Restrictions	<u>-</u>	<u>195,105</u>	<u>-</u>	<u>195,105</u>
Total Fund Balances - Reserved	<u>-</u>	<u>195,105</u>	<u>743,124</u>	<u>938,229</u>
Committed -				
Public Safety	<u>40,910</u>	<u>-</u>	<u>-</u>	<u>40,910</u>
Total Fund Balances - Committed	<u>40,910</u>	<u>-</u>	<u>-</u>	<u>40,910</u>
Unassigned	<u>122,719</u>	<u>-</u>	<u>-</u>	<u>122,719</u>
Total Fund Balances	<u>\$ 221,257</u>	<u>\$ 195,105</u>	<u>\$ 743,124</u>	<u>\$ 1,159,486</u>

**(16) PRIOR PERIOD ADJUSTMENTS**

Due to the lack of accounting records, inaccurate or incomplete accounting records in previous years, the following adjustment is necessary to correct the net positions as of June 30, 2018:

	<u>Government Activities</u>	<u>Business-Type Activities</u>
As Previously Reported	\$ 2,500,236	\$ 7,702,600
Restatement:		
Correction of Errors	<u>1,218,627</u>	<u>1,492,980</u>
Restated as of June 30, 2018	<u>\$ 3,718,863</u>	<u>\$ 9,195,580</u>

**(17) ON-BEHALF PAYMENTS OF SALARIES**

The State of Louisiana paid the City's policemen \$24,250 and the City Marshals \$27,483 of supplemental pay during the year ended June 30, 2019. That amount is included in the accompanying financial statements as intergovernmental revenues and police expenses.



**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**(18) COMPENSATION OF CITY OFFICIALS**

A detail of compensation paid to elected officials for the year ended June 30, 2019 follows:

<u>Board of Alderman:</u>	<u>Compensation</u>	<u>Term Expires</u>
Garland Bourgeois	\$ 5,100	June 30, 2019
Charles Williams	\$ 5,100	June 30, 2019
Clarence Clark	\$ 5,100	June 30, 2019
Kenneth Kern	\$ 5,100	June 30, 2019
Tia Simmons	\$ 5,100	June 30, 2019

**(19) SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO MAYOR**

A detail of compensation, benefits, and other payments paid to the Mayor (Aprill Foulcard) for the year ended June 30, 2019:

<u>Purpose</u>	<u>Description</u>
Salary	\$ 45,144
Benefits – Retirement	11,738

**(20) SUBSEQUENT EVENTS**

The City has evaluated subsequent events through December 20, 2019, the date which the financial statements were available to be issued.

Effective July 1, 2019, the City of Jeanerette voluntarily transferred the Housing Choice Voucher Program to Louisiana Housing Authority.

Effective July 1, 2019, Carol Bourgeois, Jr. is the new mayor of the City of Jeanerette.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF JEANERETTE, LOUISIANA**  
**General Fund**

**Budgetary Comparison Schedule**  
**Year Ended June 30, 2019**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 707,950	\$ 941,158	\$ 999,107	\$ 57,949
Licenses and Permits	193,550	186,700	88,134	(98,566)
Intergovernmental	395,680	429,482	481,530	52,048
Fines and Forfeits	7,500	5,000	6,141	1,141
Miscellaneous	<u>317,525</u>	<u>285,050</u>	<u>437,185</u>	<u>152,135</u>
<b>Total Revenues</b>	<u>1,622,205</u>	<u>1,847,390</u>	<u>2,012,097</u>	<u>164,707</u>
<b>Expenditures:</b>				
General Government	1,551,331	1,543,365	1,715,225	(171,860)
Public Safety:				
Police	438,600	461,580	514,773	(53,193)
Fire	83,789	117,090	109,575	7,515
Highways and Streets	407,012	432,478	411,894	20,584
Capital Outlay	<u>13,704</u>	<u>13,704</u>	<u>46,908</u>	<u>(33,204)</u>
<b>Total Expenditures</b>	<u>2,494,436</u>	<u>2,568,217</u>	<u>2,798,375</u>	<u>(230,158)</u>
Deficiency of Revenues over Expenditures	<u>(872,231)</u>	<u>(720,827)</u>	<u>(786,278)</u>	<u>(65,451)</u>
<b>Other Financing Sources:</b>				
Transfers In	833,000	758,538	877,371	118,833
Transfers Out	<u>(3,000)</u>	<u>(17,012)</u>	<u>(25,555)</u>	<u>(8,543)</u>
<b>Total other Financing Sources</b>	<u>830,000</u>	<u>741,526</u>	<u>851,816</u>	<u>110,290</u>
Net Changes in Fund Balances	(42,231)	20,699	65,538	44,839
Fund Balance, Beginning (Restated)	<u>112,894</u>	<u>37,256</u>	<u>155,719</u>	<u>125,799</u>
Fund Balance, Ending	<u>\$ 70,663</u>	<u>\$ 57,955</u>	<u>\$ 221,257</u>	<u>\$ 170,638</u>

**CITY OF JEANERETTE, LOUISIANA**  
**Special Revenue Fund**  
**1% Sales Tax Fund**

**Budgetary Comparison Schedule**  
**Year Ended June 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 470,000	\$ 491,256	\$ 525,319	\$ 34,063
Miscellaneous - Interest	100	100	114	14
Total Revenues	<u>470,100</u>	<u>491,356</u>	<u>525,433</u>	<u>34,077</u>
<b>Expenditures:</b>				
General Government	47,957	43,823	40,710	3,113
Total Expenditures	<u>47,957</u>	<u>43,823</u>	<u>40,710</u>	<u>3,113</u>
Excess of Revenues over Expenditures	<u>422,143</u>	<u>447,533</u>	<u>484,723</u>	<u>37,190</u>
<b>Other Financing (Uses):</b>				
Transfers Out	(420,000)	(420,000)	(408,000)	12,000
Total other Financing (Uses)	<u>(420,000)</u>	<u>(420,000)</u>	<u>(408,000)</u>	<u>12,000</u>
Net Changes in Fund Balances	2,143	27,533	76,723	49,190
Fund Balances, Beginning (Restated)	<u>134,355</u>	<u>134,355</u>	<u>118,382</u>	<u>169,955</u>
Fund Balances, Ending	<u>\$ 136,498</u>	<u>\$ 161,888</u>	<u>\$ 195,105</u>	<u>\$ 219,145</u>

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2019**

**1) Basis of Accounting**

The budgets for the General Fund and 1% Sales Tax Special Revenue Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the City.

**2) Budget Adoption**

The City follows these procedures in establishing the budgetary data reflected in the supplementary information:

1. The City Clerk prepares a proposed budget and submits it to the Mayor and Board for the fiscal year no later than 45 days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least 10 days after publication of the call for the hearing.
4. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfers 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 Alderman.
6. All budgetary appropriations lapse at the end of each year, except for capital expenditures.
7. Budgetary control is exercised at the fund level.

**3) Actual Expenditures in Excess of Budgeted Appropriations**

Actual expenditures exceeded budgeted appropriations in the General Fund by \$230,158.

**CITY OF JEANERETTE, LOUISIANA**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**AND CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency/ (Excess)	Board's Covered Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
<b>Municipal Employees' Retirement System of Louisiana</b>										
2015	0.462025%	\$ 1,185,763	\$ 827,131	143.36%	73.99%	\$ 155,087	\$ 155,087	\$ -	\$ 827,131	18.75%
2016	0.537571%	\$ 1,920,288	\$ 1,049,325	183.00%	66.18%	\$ 181,207	\$ 181,207	\$ -	\$ 917,503	19.75%
2017	0.571040%	\$ 2,340,528	\$ 771,604	303.33%	62.11%	\$ 152,392	\$ 139,492	\$ 12,900	\$ 771,604	18.08%
2018	0.527700%	\$ 2,207,792	\$ 789,189	279.75%	62.49%	\$ 179,540	\$ 218,042	\$ (38,502)	\$ 789,189	27.63%
2019	0.456807%	\$ 1,891,491	\$ 834,004	226.80%	63.94%	\$ 206,416	\$ 202,081	\$ 4,335	\$ 834,004	24.23%
<b>Municipal Police Employees' Retirement System of Louisiana</b>										
2015	0.126979%	\$ 794,390	\$ 400,730	198.24%	75.11%	\$ 132,241	\$ 132,241	\$ -	\$ 394,749	33.50%
2016	0.084414%	\$ 661,295	\$ 429,074	154.12%	70.73%	\$ 71,127	\$ 71,127	\$ -	\$ 212,319	33.50%
2017	0.085210%	\$ 798,658	\$ 431,216	185.21%	66.04%	\$ 131,521	\$ 106,651	\$ 24,870	\$ 431,216	24.73%
2018	0.092720%	\$ 809,467	\$ 385,606	209.92%	70.08%	\$ 126,787	\$ 87,882	\$ 38,905	\$ 385,606	22.79%
2019	0.092648%	\$ 783,252	\$ 288,899	271.12%	71.89%	\$ 88,836	\$ 89,143	\$ (307)	\$ 288,899	30.86%
<b>Firefighters' Retirement System of Louisiana</b>										
2015	0.178950%	\$ 79,633	\$ 49,911	159.55%	76.02%	\$ 14,100	\$ 14,100	\$ -	\$ 49,911	28.25%
2016	0.018481%	\$ 99,744	\$ 33,995	293.41%	72.45%	\$ 11,488	\$ 11,488	\$ -	\$ 39,275	29.25%
2017	0.012493%	\$ 81,716	\$ 32,755	249.48%	68.16%	\$ 9,253	\$ -	\$ 9,253	\$ 32,755	0.00%
2018	0.000000%	\$ -	\$ -	0.00%	-73.55%	\$ -	\$ -	\$ -	\$ -	0.00%
2019	0.000000%	\$ -	\$ -	0.00%	-74.77%	\$ -	\$ -	\$ -	\$ -	0.00%

\* Amounts presented were determined as of the measurement date (previous fiscal year-end)

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

**OTHER SUPPLEMENTARY INFORMATION**

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **1/4 % Sales Tax Fund (1973)**

To account for the receipt and use of proceeds of the City's 1/4% sales and use tax levied since 1973.

### **1/4 % Sales Tax Fund (1985)**

To account for the receipt and use of proceeds of the City's 1/4% sales and use tax levied since April 1, 1985.

### **Section 8 Housing**

To account for the receipt and use of grants from the U.S. Department of Housing and Urban Development for rental assistance to low income renters in the City.

### **Sugar City Litter Abatement Fund**

To account for receipt and use of grant received from the Louisiana Department of Environmental Quality for the eradication of litter and general city beautification.

### **Bicentennial Museum Fund**

To account for receipt and use of appropriations from the Louisiana Department of Treasury through the Iberia Tourist Commission Fund for improvements at the Bicentennial Museum.

### **Drug Interdiction Fund**

To account for receipt and use of grant received from the Federal Government through an interagency agreement for the Police Department Task Force.

### **Drainage and Mosquito Fund**

To account for the proceeds from the Iberia Parish Government to maintain drainage ways to control mosquito population.



**CITY OF JEANERETTE, LOUISIANA**  
**Nonmajor Governmental Funds**

**Combining Balance Sheet**  
**June 30, 2019**

Special Revenue Funds

	1973 1/4%	1985 1/4%	2004 1/4%	Drainage- Mosquito Control	Section 8 Housing	Drug Interdiction
	Sales Tax	Sales Tax	Sales Tax			
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ 110,355	\$ 47,948	\$ 2,628
Interest-Bearing Deposits	140,297	22,079	61,780	-	-	-
Investments	-	-	-	15,772	-	-
Receivables:						
Due from other Governmental Units	-	-	-	-	-	-
Prepaid Items	-	-	-	10,711	-	-
Total Assets	<u>140,297</u>	<u>22,079</u>	<u>61,780</u>	<u>136,838</u>	<u>47,948</u>	<u>2,628</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	-	-	-	280	3,993	-
Accrued Liabilities	-	-	-	2,615	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,895</u>	<u>3,993</u>	<u>-</u>
Fund Balances -						
Restricted	<u>140,297</u>	<u>22,079</u>	<u>61,780</u>	<u>133,943</u>	<u>43,955</u>	<u>2,628</u>
Total Fund Balances	<u>140,297</u>	<u>22,079</u>	<u>61,780</u>	<u>133,943</u>	<u>43,955</u>	<u>2,628</u>
Total Liabilities and Fund Balances	<u>\$ 140,297</u>	<u>\$ 22,079</u>	<u>\$ 61,780</u>	<u>\$ 136,838</u>	<u>\$ 47,948</u>	<u>\$ 2,628</u>

**CITY OF JEANERETTE, LOUISIANA**  
**Nonmajor Governmental Funds**

**Combining Balance Sheet - continued**  
**June 30, 2019**

	Debt Service Funds	Capital Projects Funds			Total Nonmajor Governmental Funds	
	2005 General Obligation Refunding Bonds	Water Plant Project	Street Improvement 2016	LCDBG Sewer Treatment Plant Upgrade FY 2014-2015		LCDBG 2003 Sewer System Repairs
<b>ASSETS</b>						
Cash	\$ 137,172	\$ 101,601	\$ 100,662	\$ 140	\$ -	\$ 500,506
Interest-Bearing Deposits	-	-	-	-	-	224,156
Investments	-	15	-	-	-	15,787
Receivables:						
Due from other Governmental Units	-	-	-	-	85,772	85,772
Prepaid Items	-	-	-	-	-	10,711
Total Assets	<u>137,172</u>	<u>101,616</u>	<u>100,662</u>	<u>140</u>	<u>85,772</u>	<u>836,932</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	-	-	1,148	-	85,772	91,193
Accrued Liabilities	-	-	-	-	-	2,615
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,148</u>	<u>-</u>	<u>85,772</u>	<u>93,808</u>
Fund Balances -						
Restricted	<u>137,172</u>	<u>101,616</u>	<u>99,514</u>	<u>140</u>	<u>-</u>	<u>743,124</u>
Total Fund Balances	<u>137,172</u>	<u>101,616</u>	<u>99,514</u>	<u>140</u>	<u>-</u>	<u>743,124</u>
Total Liabilities and Fund Balances	<u>\$ 137,172</u>	<u>\$ 101,616</u>	<u>\$ 100,662</u>	<u>\$ 140</u>	<u>\$ 85,772</u>	<u>\$ 836,932</u>

**CITY OF JEANERETTE, LOUISIANA**  
**Nonmajor Governmental Funds**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended June 30, 2019**

	Special Revenue Funds					
	1973 1/4% Sales Tax	1985 1/4% Sales Tax	2004 1/4% Sales Tax	Drainage- Mosquito Control	Section 8 Housing	Drug Interdiction
Revenues:						
Taxes	\$ 131,330	\$ 131,330	\$ 131,330	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	105,119	166,401	-
Interest	414	50	61	409	144	-
Total Revenues	<u>131,744</u>	<u>131,380</u>	<u>131,391</u>	<u>105,528</u>	<u>166,545</u>	<u>-</u>
Expenditures:						
General Government	12	12	12	99,217	-	-
Urban Development and Housing	-	-	-	-	179,115	-
Capital Outlay	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>12</u>	<u>12</u>	<u>12</u>	<u>99,217</u>	<u>179,115</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>131,732</u>	<u>131,368</u>	<u>131,379</u>	<u>6,311</u>	<u>(12,570)</u>	<u>-</u>
Other Financing Sources (Uses):						
Transfers In	-	-	-	-	-	-
Transfers Out	(85,000)	\$ (135,000)	(100,000)	-	-	-
Total other Financing Sources (Uses)	<u>(85,000)</u>	<u>(135,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	46,732	(3,632)	31,379	6,311	(12,570)	-
Fund Balances, Beginning (Restated)	<u>93,565</u>	<u>25,711</u>	<u>30,401</u>	<u>127,632</u>	<u>56,525</u>	<u>2,628</u>
Fund Balances (Deficit), Ending	<u>\$ 140,297</u>	<u>\$ 22,079</u>	<u>\$ 61,780</u>	<u>\$ 133,943</u>	<u>\$ 43,955</u>	<u>\$ 2,628</u>

**CITY OF JEANERETTE, LOUISIANA**  
**Nonmajor Governmental Funds**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - continued**  
**Year Ended June 30, 2019**

	Debt Service Funds		Capital Project Funds			Total Nonmajor Governmental Funds
	2005 General Obligation Refunding Bonds	Water Plant Project	Street Improvement 2016	LCDBG Sewer Treatment Plant Upgrade FY 2014-2015	LCDBG 2003 Sewer System Repairs	
<b>Revenues:</b>						
Taxes	\$ 64	\$ 83,973	\$ 62,861	\$ -	\$ -	\$ 540,888
Intergovernmental	-	-	-	-	144,383	415,903
Interest	476	402	-	-	-	1,956
Total Revenues	<u>540</u>	<u>84,375</u>	<u>62,861</u>	<u>-</u>	<u>144,383</u>	<u>958,747</u>
<b>Expenditures:</b>						
General Government	-	11	28,099	-	-	127,363
Urban Development and Housing	-	-	-	-	-	179,115
Capital Outlay	-	-	-	-	144,383	144,383
Principal Retirement	-	31,364	-	-	-	31,364
Interest and Fiscal Charges	-	65,876	-	-	-	65,876
Total Expenditures	<u>-</u>	<u>97,251</u>	<u>28,099</u>	<u>-</u>	<u>144,383</u>	<u>548,101</u>
Excess (Deficiency) of Revenues over Expenditures	<u>540</u>	<u>(12,876)</u>	<u>34,762</u>	<u>-</u>	<u>-</u>	<u>410,646</u>
<b>Other Financing Sources:</b>						
Transfers In	-	15,000	-	-	-	15,000
Transfers Out	(15,249)	(22,519)	-	-	-	(357,768)
Total other Financing Sources	<u>(15,249)</u>	<u>(7,519)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(342,768)</u>
Net Change in Fund Balance	(14,709)	(20,395)	34,762	-	-	67,878
Fund Balances, Beginning (Restated)	<u>151,881</u>	<u>122,011</u>	<u>64,752</u>	<u>140</u>	<u>-</u>	<u>675,246</u>
Fund Balances (Deficit), Ending	<u>\$ 137,172</u>	<u>\$ 101,616</u>	<u>\$ 99,514</u>	<u>\$ 140</u>	<u>\$ -</u>	<u>\$ 743,124</u>

**CITY OF JEANERETTE, LOUISIANA**

**Schedule of Net Position  
June 30, 2019**

**With Comparative Totals as of June 30, 2018**

	Governmental Activities	Business-Type Activities	Total	
			2019	2018
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Interest-Bearing Deposits	\$ 1,144,163	\$ 156,180	\$ 1,300,343	\$ 1,322,867
Investments	15,801	250,708	266,509	355,603
Receivables, Net	-	355,027	355,027	370,349
Ad Valorem Receivables, Net	209,815	-	209,815	-
Due From Other Governmental Units	120,968	-	120,968	-
Other Receivables	67,723	-	67,723	278,073
Prepaid Items	68,339	32,782	101,121	12,425
<b>Total Current Assets</b>	<u>1,626,809</u>	<u>794,697</u>	<u>2,421,506</u>	<u>2,339,317</u>
<b>Noncurrent Assets:</b>				
Restricted Assets	-	130,738	130,738	135,214
Capital Assets, Net	6,407,202	10,662,062	17,069,264	14,929,193
Interfund Advances	-	-	-	(259,700)
<b>Total Noncurrent Assets</b>	<u>6,407,202</u>	<u>10,792,800</u>	<u>17,200,002</u>	<u>14,804,707</u>
<b>Total Assets</b>	<u>8,034,011</u>	<u>11,587,497</u>	<u>19,621,508</u>	<u>17,144,024</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related	<u>706,935</u>	<u>52,035</u>	<u>758,970</u>	<u>661,119</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	196,761	75,873	272,634	302,648
Accrued Liabilities	37,601	18,305	55,906	-
Lease Payable	45,655	-	45,655	-
Bond Payable	32,652	47,465	80,117	50,833
Accrued Interest Payable	64,588	-	64,588	-
Due to Other Funds	52,225	26,149	78,374	49,441
<b>Total Current Liabilities</b>	<u>429,482</u>	<u>167,792</u>	<u>597,274</u>	<u>402,922</u>
<b>Noncurrent Liabilities:</b>				
Accrued Liabilities	-	-	-	40,000
Lease Payable	70,016	-	70,016	-
Net Pension Liability	2,504,507	170,234	2,674,741	3,017,259
Customers' Deposits Payable	-	132,505	132,505	130,000
Bond Payable	1,532,977	2,227,513	3,760,490	3,786,336
<b>Total Noncurrent Liabilities</b>	<u>4,107,500</u>	<u>2,530,252</u>	<u>6,637,752</u>	<u>6,973,595</u>
<b>Total Liabilities</b>	<u>4,536,982</u>	<u>2,698,044</u>	<u>7,235,026</u>	<u>7,376,517</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related	<u>352,980</u>	<u>24,595</u>	<u>377,575</u>	<u>324,672</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	6,407,202	10,662,062	17,069,264	11,092,024
<b>Restricted For:</b>				
Capital Projects	-	-	-	108,262
Debt Service	1,630,217	-	1,630,217	151,881
Other Purposes	839,953	132,505	972,458	942,113
Unrestricted (Deficit)	<u>(5,005,080)</u>	<u>(1,877,674)</u>	<u>(6,882,754)</u>	<u>(2,091,444)</u>
<b>Total Net Position</b>	<u>\$ 3,872,292</u>	<u>\$ 8,916,893</u>	<u>\$ 12,789,185</u>	<u>\$ 10,202,836</u>

**CITY OF JEANERETTE, LOUISIANA**

**Schedule of Activities  
Year Ended June 30, 2019  
With Comparative Totals for the Year Ended June 30, 2018**

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Assets		Total	
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	2019	2018
<b>Governmental Activities:</b>							
General Government	\$ 2,114,922	\$ 671,942	\$ 463,648	\$ (979,332)	\$ -	\$ (979,332)	\$ (317,247)
Public Safety:							
Police	587,183	17,916	5,568	(563,699)	-	(563,699)	(769,705)
Fire	119,152	21,592	-	(97,560)	-	(97,560)	(74,278)
Highways and Streets	602,260	-	-	(602,260)	-	(602,260)	(541,229)
Interest on Debt	64,588	-	-	(64,588)	-	(64,588)	(65,876)
Total Governmental Activities	3,488,105	711,450	469,216	(2,307,439)	-	(2,307,439)	(1,768,335)
<b>Business-Type Activities:</b>							
Garbage, Water, and Sewer	1,773,907	1,389,104	98,915	-	(285,888)	(285,888)	(178,464)
Total	\$ 5,262,012	\$ 2,100,554	\$ 568,131	(2,307,439)	(285,888)	(2,593,327)	(1,946,799)
<b>General Revenues:</b>							
Taxes -							
Property Taxes				624,894	-	624,894	549,276
Sales and Use Taxes				1,007,441	-	1,007,441	788,254
Franchise Taxes				521,111	-	521,111	-
Grants and Contributions Not Restricted To Specific Programs -							
State Sources				7,142	-	7,142	5,642
Non-Employer Pension Contribution				44,213	2,564	46,777	-
Interest and Investment Earnings				10,816	7,106	17,922	9,167
Miscellaneous				144,204	98,578	242,782	52,961
Transfers				101,047	(101,047)	-	(4,226)
Total General Revenues and Transfers				2,460,868	7,201	2,468,069	1,401,074
Change in Net Position				153,429	(278,687)	(125,258)	(545,725)
Net Position - Beginning (Restated)				3,718,863	9,195,580	12,914,443	10,748,561
Net Position - Ending				\$ 3,872,292	\$ 8,916,893	\$ 12,789,185	\$ 10,202,836

**CITY OF JEANERETTE, LOUISIANA**

**Balance Sheet  
Governmental Funds  
Year Ended June 30, 2019  
With Comparative Totals for the Year Ended June 30, 2018**

	<u>General</u>	<u>1% Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds 2019</u>	<u>2018</u>
<b>ASSETS</b>					
Cash	\$ 42,801	\$ -	\$ 500,506	\$ 543,307	\$ 534,691
Interest-Bearing Deposits	182,040	194,659	224,156	600,855	581,590
Investments	14	-	15,787	15,801	44,868
Receivables:					
Ad Valorem	7,771	-	-	7,771	-
Due from other Funds	20,862	-	-	20,862	277,107
Due from other Governmental Units	35,196	-	85,772	120,968	-
Other Receivables	67,723	-	-	67,723	278,073
Prepaid Items	<u>57,628</u>	<u>-</u>	<u>10,711</u>	<u>68,339</u>	<u>12,425</u>
<b>Total Assets</b>	<b><u>\$ 414,035</u></b>	<b><u>\$ 194,659</u></b>	<b><u>\$ 836,932</u></b>	<b><u>\$ 1,445,626</u></b>	<b><u>\$ 1,728,754</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 105,567	\$ -	\$ 91,193	\$ 196,760	\$ 50,175
Accrued Liabilities	34,986	-	2,615	37,601	237
Due to other Funds	52,225	-	-	52,225	232,642
Advance from other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
<b>Total Liabilities</b>	<b><u>192,778</u></b>	<b><u>-</u></b>	<b><u>93,808</u></b>	<b><u>286,586</u></b>	<b><u>403,054</u></b>
<b>Fund Balances:</b>					
Nonspendable	57,628	-	-	57,628	12,425
Restricted	-	195,105	743,124	938,229	1,123,580
Committed	40,910	-	-	40,910	-
Unassigned (Deficit)	<u>122,719</u>	<u>-</u>	<u>-</u>	<u>122,719</u>	<u>189,695</u>
<b>Total Fund Balances (Deficit)</b>	<b><u>221,257</u></b>	<b><u>195,105</u></b>	<b><u>743,124</u></b>	<b><u>1,159,486</u></b>	<b><u>1,325,700</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 414,035</u></b>	<b><u>\$ 195,105</u></b>	<b><u>\$ 836,932</u></b>	<b><u>\$ 1,446,072</u></b>	<b><u>\$ 1,728,754</u></b>

**CITY OF JEANERETTE, LOUISIANA**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2019  
With Comparative Totals for the Year Ended June 30, 2018**

	General	1% Sales Tax	Other Governmental Funds	Total Governmental Funds	
				2019	2018
<b>Revenues:</b>					
Taxes	\$ 999,107	\$ 525,319	\$ 540,888	\$ 2,065,314	\$ 1,623,319
Licenses and Permits	88,134	-	-	88,134	192,851
Intergovernmental	481,530	-	415,903	897,433	716,806
Fines and Forfeits	6,141	-	-	6,141	7,480
Miscellaneous	437,185	114	1,956	439,255	373,903
<b>Total Revenues</b>	<u>2,012,097</u>	<u>525,433</u>	<u>958,747</u>	<u>3,496,277</u>	<u>2,914,359</u>
<b>Expenditures:</b>					
Current -					
General Government	1,729,526	40,710	127,363	1,897,599	1,605,564
Public Safety:					
Police	514,772	-	-	514,772	693,308
Fire	109,576	-	-	109,576	80,111
Highways and Streets	411,893	-	-	411,893	417,132
Urban Development and Housing	-	-	179,115	179,115	-
Capital Outlay	32,607	-	144,383	176,990	14,096
Debt Service -					
Principal Retirement	-	-	31,364	31,364	97,240
Interest and Fiscal Charges	-	-	65,876	65,876	-
<b>Total Expenditures</b>	<u>2,798,374</u>	<u>40,710</u>	<u>548,101</u>	<u>3,387,185</u>	<u>2,907,451</u>
<b>Excess (Deficiency) of</b>					
Revenues over Expenditures	<u>(786,277)</u>	<u>484,723</u>	<u>410,646</u>	<u>109,092</u>	<u>6,908</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In	877,370	-	15,000	892,370	898,204
Transfers Out	(25,555)	(408,000)	(357,768)	(791,323)	(802,691)
<b>Total other Financing Sources (Uses)</b>	<u>851,815</u>	<u>(408,000)</u>	<u>(342,768)</u>	<u>101,047</u>	<u>95,513</u>
<b>Net Changes in Fund Balances</b>	65,538	76,723	67,878	210,139	102,421
<b>Fund Balances, Beginning (Restated)</b>	<u>155,719</u>	<u>118,382</u>	<u>675,246</u>	<u>949,347</u>	<u>1,223,279</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 221,257</u>	<u>\$ 195,105</u>	<u>\$ 743,124</u>	<u>\$ 1,159,486</u>	<u>\$ 1,325,700</u>



**CITY OF JEANERETTE, LOUISIANA**

**Schedule of Net Position**

**Proprietary Fund**

**Year Ended June 30, 2019**

**With Comparative Totals for the Year Ended June 30, 2018**

	Enterprise Fund	
	2019	2018
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Interest-Bearing Deposits	\$ 156,180	\$ 206,586
Investments	250,708	310,735
Receivables, Net	355,027	370,349
Due From Other Funds	-	59,730
Prepaid Items	<u>32,782</u>	<u>-</u>
<b>Total Current Assets</b>	<u><b>794,697</b></u>	<u><b>947,400</b></u>
<b>Noncurrent Assets:</b>		
<b>Restricted Assets -</b>		
Cash and Interest-Bearing Deposits	130,738	135,214
<b>Capital Assets, Net of Accumulated Depreciation</b>	<u>10,662,062</u>	<u>9,398,662</u>
<b>Total Noncurrent Assets</b>	<u><b>10,792,800</b></u>	<u><b>9,533,876</b></u>
<b>Total Assets</b>	<u><b>11,587,497</b></u>	<u><b>10,481,276</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related	<u>52,035</u>	<u>-</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	75,873	133,231
Accrued Liabilities	18,305	51,887
Bond Payable	47,465	19,469
Due to other Funds	26,149	54,754
<b>Total Current Liabilities</b>	<u>167,792</u>	<u>259,341</u>
<b>Noncurrent Liabilities:</b>		
Advance from other Funds	-	139,700
Payable from Restricted Assets -		
Revenue Bonds Payable	2,227,513	2,249,635
Customers' Deposits Payable	132,505	130,000
Net Pension Liability	<u>170,234</u>	<u>-</u>
<b>Total Noncurrent Liabilities</b>	<u><b>2,530,252</b></u>	<u><b>2,519,335</b></u>
<b>Total Liabilities</b>	<u><b>2,698,044</b></u>	<u><b>2,778,676</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related	<u>24,595</u>	<u>-</u>
<b>NET POSITION</b>		
Net Investment In Capital Assets	10,662,062	7,129,558
Unrestricted	<u>(1,745,169)</u>	<u>573,042</u>
<b>Total Net Position</b>	<u><b>\$ 8,916,893</b></u>	<u><b>\$ 7,702,600</b></u>

**CITY OF JEANERETTE, LOUISIANA**

**Schedule of Revenues, Expenses, and Changes in Fund Net Position**

**Proprietary Fund**

**Year Ended June 30, 2019**

**With Comparative Totals for the Year Ended June 30, 2018**

	Enterprise Fund	
	2019	2018
<b>Operating Revenues:</b>		
Charges for Services -		
Water Sales	\$ 571,898	\$ 610,760
Sewer Service Charges	416,080	389,242
Garbage Revenue	285,726	282,256
Connections and Installations	22,831	26,775
Penalties	91,400	43,493
Miscellaneous	1,169	3,298
Total Operating Revenues	1,389,104	1,355,824
 <b>Operating Expenses:</b>		
Chemicals	63,377	77,652
Consulting and Testing Fees	21,179	43,398
Water Certification Fees	-	21,553
Depreciation Expense	537,429	417,749
Equipment Rental	1,927	1,527
Garbage Service Contract	264,763	239,294
Insurance	92,874	87,797
Interest Expense	50,596	-
Miscellaneous	11,803	38,299
Office Expense	15,875	10,114
Payroll Taxes	3,741	2,789
Salaries and Benefits	154,999	174,769
Professional Fees	150,498	33,299
Supplies and Repairs	206,764	191,789
Utilities and Telephone	198,082	194,259
Total Operating Expenses	1,773,907	1,534,288
 Operating Loss	<b>(384,803)</b>	<b>(178,464)</b>

(continued)

**CITY OF JEANERETTE, LOUISIANA**

**Schedule of Revenues, Expenses, and Changes in Fund Net Position - continued**

**Proprietary Fund**

**Year Ended June 30, 2019**

**With Comparative Totals for the Year Ended June 30, 2018**

	Enterprise Fund	
	2019	2018
Nonoperating Revenues (Expenses):		
Grant Revenue	\$ 98,915	\$ -
Other Revenue	98,578	-
Non-Employer Pension Contributions	2,564	-
Interest Income	7,106	2,162
Net Nonoperating Revenues	207,163	2,162
Loss Before Contributions and Transfers	(177,640)	(80,733)
Transfers In	85,555	94,558
Transfers Out	(186,602)	(239,907)
Total other Financing Sources	(101,047)	(145,349)
Change In Net Position	(278,687)	(226,082)
Net Position, Beginning (Restated)	9,195,580	7,786,825
Net Position, Ending	\$ 8,916,893	\$ 7,560,743

**CITY OF JEANERETTE, LOUISIANA**

**Schedule of Cash Flows  
Proprietary Fund**

**Year Ended June 30, 2019**

**With Comparative Totals for the Year Ended June 30, 2018**

	Enterprise Fund	
	2019	2018
<b>Cash Flows from Operating Activities:</b>		
Receipts from Customers	\$ 1,059,062	\$ 982,177
Receipts from Other Governmental Entities	197,493	-
Payments to Suppliers	(1,077,738)	(541,951)
Payments to Employees	(158,740)	(177,558)
Other Receipts	285,612	-
Net Cash Provided By Operating Activities	305,689	262,668
<b>Cash Flows from Noncapital Financing Activities:</b>		
Payments to other Funds	(188,356)	(99,739)
Net Cash (Used In) Noncapital Financing Activities	(188,356)	(99,739)
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition of Property, Plant and Equipment	(132,969)	-
Payment on Debt	(46,352)	(38,853)
Net Cash (Used In) Capital and Related Financing Activities	(179,321)	(38,853)
<b>Cash Flows from Investing Activities:</b>		
Interest on Investments	7,106	3,395
Net Cash Provided By Investing Activities	7,106	3,395
Net Increase (Decrease) in Cash and Cash Equivalents	(54,882)	127,471
Cash, Cash Equivalents, and Restricted Cash, Beginning	341,800	214,329
Cash, Cash Equivalents, and Restricted Cash, Ending	\$ 286,918	\$ 341,800

(continued)

**CITY OF JEANERETTE, LOUISIANA**

**Schedule of Cash Flows - continued  
Proprietary Fund  
Year Ended June 30, 2019  
With Comparative Totals for the Year Ended June 30, 2018**

	Enterprise Fund	
	2019	2018
Reconciliation of Operating Loss to Net Cash Provided By Operating Activities:		
Operating Loss	\$ (384,803)	\$ (178,464)
Adjustments to Reconcile Operating Loss to Net Cash Provided By Operating Activities:		
Depreciation	537,429	417,749
Changes in Current Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	15,322	(41,168)
(Increase) Decrease in Prepaid Items	(32,782)	-
Increase (Decrease) in Accounts Payable	204,105	31,203
Increase (Decrease) in Accrued Liabilities	<u>(33,582)</u>	<u>33,348</u>
Net Cash Provided By Operating Activities	<u>305,689</u>	<u>262,668</u>
Reconciliation of Cash and Cash Equivalents Per Statement of Cash Flows to the Balance Sheet:		
Cash and Cash Equivalents, Beginning of Period -		
Cash - Unrestricted	206,586	\$ 87,199
Cash - Restricted	<u>135,214</u>	<u>127,130</u>
Total Cash and Cash Equivalents	<u>341,800</u>	<u>214,329</u>
Cash and Cash Equivalents, End of Period -		
Cash - Unrestricted	156,180	206,586
Cash - Restricted	<u>130,738</u>	<u>135,214</u>
Total Cash and Cash Equivalents	<u>286,918</u>	<u>341,800</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (54,882)</u>	<u>\$ 127,471</u>

**CITY OF JEANERETTE, LOUISIANA**

**Schedule of Number of Utility Customers  
Proprietary Fund  
(Unaudited)  
June 30, 2019**

Records maintained by the City indicated the number of customers being served during the month of June 2019 were as follows:

<u>Department</u>	<u>Residential</u>	<u>Commercial</u>
Water (metered)	1,935	139
Sewerage	1,824	110
Sanitation	1,761	*

\* Breakdown between residential and commercial sanitation customers was not available.

**CITY OF JEANERETTE, LOUISIANA**

**Schedule of Insurance in Force  
(Unaudited)  
June 30, 2019**

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation - Employer's Liability	\$ 1,000,000
Surety Bonds - Mayor, Town Clerk, Billing Clerk and Treasurer	\$ 200,000
Employee Theft	\$ 100,000
Forgery or Alteration	\$ 50,000
Public Officials Errors and Omissions	\$ 500,000
Comprehensive General Liability, Bodily Injury, and Property Damage	\$ 1,000,000
Comprehensive Automobile Liability	\$ 1,000,000
Fire, Lightning, and Extended Coverage - Buildings and Contents, All Risks Except Flood and Earthquake	\$ 5,957,699

**CITY OF JEANERETTE, LOUISIANA**

**Schedule of Aged Utility Accounts  
Proprietary Fund  
(Unaudited)  
June 30, 2019**

Under 30 days	\$ 66,193
31 to 60 days	-
Over 60 days	<u>269,391</u>
Total receivables	<u>\$ 335,584</u>



**CITY OF JEANERETTE, LOUISIANA**

**Schedule of Water Rates  
Proprietary Fund  
(Unaudited)  
June 30, 2019**

**Water Rates**

Residential (inside corporate limits):

\$14.00 per month for the first 2,000 gallons

\$ 3.40 per thousand or part thereof over 2,000 gallons

All users outside corporate limits shall pay as stated above plus \$6.50 per month

Commercial or industrial users (inside corporate limits):

\$19.00 per month for the first 2,000 gallons

\$ 4.00 per thousand or part thereof over 2,000 gallons

All users outside corporate limits shall pay as stated above plus \$6.50 per month

**Sewerage Rates**

Residential:

A basic rate of \$13.00 for the 1st 2,000 gallons, then \$2.00 per/1,000 gallons.

Commercial:

A basic rate of \$14.00 for the 1st 2,000 gallons, then \$2.50 per/1,000 gallons.

**CITY OF JEANERETTE, LOUISIANA**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Federal Award Identifying Number	Award Amount	Federal Expenditures
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Direct Program:				
Section 8 Housing Choice Vouchers	14.871	LA168	\$ 166,401	\$ 166,401
Total U. S. Department of Housing and Urban Development			<u>166,401</u>	<u>166,401</u>
<b>DEPARTMENT OF AGRICULTURE</b>				
Direct Programs:				
ARRA - Water and Waste Disposal Systems for Rural Communities	* 10.781	LA-91-03	<u>2,463,000</u>	<u>-</u>
Total Department of Agriculture			<u>2,463,000</u>	<u>-</u>
<b>Totals</b>			<u>\$ 2,629,401</u>	<u>\$ 166,401</u>

\* - Major Program

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF JEANERETTE, LOUISIANA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

(1) **General**

When applicable, the Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Jeanerette (the City). The City reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2019. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies.

(2) **Basis of Accounting**

When applicable, the schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards (Uniform Guidance)*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(3) **Loan Guarantee**

The City was awarded a \$2,463,000 grant from the U. S. Department of Agriculture, Office of Rural Development (USDA) in 2012 to pay costs of constructing and acquiring improvements, renovations and replacements to the waterworks system. The City expended \$ - during the fiscal year ended June 30, 2019. The unpaid balance on the bonds at June 30, 2019 is \$2,274,978. In addition, the USDA is the guarantor of \$1,870,000 General Obligation Bonds, Series 2005, the proceeds of which were received and expended in the fiscal year ended June 30, 2006. The unpaid balance on the bonds at June 30, 2019 is \$1,565,629.

(4) **Subrecipients**

The City did not pass through any of its federal awards to a subrecipient during the fiscal year ended June 30, 2019.

(5) **Non-Cash Assistance**

No federal awards were expended in the form of non-cash assistance during the fiscal year ended June 30, 2019.

(6) **Indirect Cost Rate**

The City has elected to use the 10 percent de minimis indirect cost rate allowed under the *Uniform Guidance*.

(7) **Relationship to Financial Statements**

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

**INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION**

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## INDEPENDENT AUDITORS' 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*

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TINA B. VIATOR, CPA  
STEPHANIE L. WEST, CPA, MBA

The Honorable Carol Bourgeois, Jr., Mayor  
and Members of the Board of Aldermen  
City of Jeanerette, 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 statement of net position of the governmental activities, the business-type activities, and the balance sheets of each major fund, and the aggregate remaining fund information of the City of Jeanerette, Louisiana, (hereinafter "City"), as of June 30, 2019, and were engaged to audit the statement of activities of the governmental activities and the business-type activities, the statement of revenues, expenditures and changes in fund balance- governmental funds, the statement of revenues, expenses and changes in net position and the statement of cash flows for the proprietary fund, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 20, 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.

*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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002 that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City's Response to Findings**

The City's responses to the findings identified in our audit are described in the accompanying management's corrective action plan. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on them.

### **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 City's internal control or on compliance. This report is an integral part of an audit in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone else other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
(Certified Public Accountants)

Lafayette, Louisiana  
December 20, 2019

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

The Honorable Carol Bourgeois, Jr., Mayor  
and Members of the Board of Aldermen  
City of Jeanerette, Louisiana

### Report on Compliance for Each Major Federal Program

We have audited the City of Jeanerette, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Jeanerette, Louisiana's major federal programs for the year ended June 30, 2019. The City of Jeanerette's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

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

### Auditors' Responsibility

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

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

### ***Basis for Qualified Opinion on ARRA - Water and Waste Disposal Systems for Rural Communities***

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding CFDA No. 10.781 ARRA – Water and Waste Disposal Systems for Rural Communities, as described in finding number 2019-003 for Special Tests and Provisions. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

### ***Qualified Opinion on ARRA – Water and Waste Disposal Systems for Rural Communities***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on ARRA – Water and Waste Disposal Systems for Rural Communities for the year ended June 30, 2019.

### ***Other Matters***

The City's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-003 to be a material weakness.



*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's response to the internal control over compliance finding identified in our audit is describe in the accompanying correction action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, L.L.C.  
Certified Public Accountants

Lafayette, Louisiana  
December 20, 2019

**CITY OF JEANERETTE, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2019**

Reference Number	Fiscal Year Finding Initially Occurred	Description	Corrective Action Taken (Yes, No, Partially)
2018-001	2017	Preparation of Financial Statements - the City does not have an individual with qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transaction or preparing its financial statements, including the related notes.	Yes, the City has an outside accounting firm who can handle this function.
2018-002	2015	Accounting Process - the City failed to take all steps necessary to ensure that an effective structure of internal control was in place and functioning as designed in order to prevent, or detect and correct material misstatements on a timely basis.	Yes, the City is under Fiscal Administration and the necessary steps to develop an effective internal control have been implemented.
2018-003	2015	Budget Variance - budget variance in excess of 5% incurred in the General Fund.	Yes
2018-004	2015	Late Audit Submission - the audit was not submitted to the Office of the Legislative Auditor or the USDA within six months of the year end.	Yes
2018-005	2015	2005 GO Bond Requirements - the City may have over collected ad valorem taxes necessary to repay its general obligation debt.	Yes

**CITY OF JEANERETTE, LOUISIANA  
SUMMARY OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2019**

We have audited the financial statements of the City of Jeanerette, Louisiana as of and for the year ended June 30, 2019, and have issued our report thereon dated December 20, 2019. 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 and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Our audit the financial statements as of June 30, 2019 resulted in an unmodified opinion on the Statement of Net Position of the governmental activities and the business-type activities, and the Balance Sheets each major fund, and the aggregate remaining fund information and a disclaimer of opinion on the Statement of Activities, of the governmental activities and the business-type activities, the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows for the Proprietary Fund, and the notes to the financial statements.

***Section I - Summary of Auditors' Reports***

***FINANCIAL STATEMENTS***

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

Internal Control

Material Weaknesses	<u>  X  </u>	Yes	_____	No
Significant Deficiencies	<u>  X  </u>	Yes	_____	No

Compliance

Compliance Material to Financial Statements	___	Yes	___	<u>  X  </u>	No
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***FEDERAL AWARDS***

Major Program Identification

The City of Jeanerette, Louisiana at June 30, 2019, had one major program: Department of Agriculture: ARRA – Water and Waste Disposal Systems for Rural Communities, CFDA Number 10.781.

Low-Risk Auditee

The City of Jeanerette, Louisiana is not considered a low-risk auditee for the year ended June 30, 2019.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$750,000 for the year ended June 30, 2019.

**CITY OF JEANERETTE, LOUISIANA  
SUMMARY OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2019**

***FEDERAL AWARDS – continued***

Auditors' Report – Major Program

A qualified opinion has been issued on the City of Jeanerette's compliance for each major program as of and for the year ended June 30, 2019.

Deficiencies in Internal Control - Major Program

A material weakness in internal control over the major federal program were reported.

Compliance Finding Related to Major Program

The audit disclosed one matter of material noncompliance or questioned costs relative to its federal program.

***Section II - Financial Statement Findings***

**Finding No. 2019-001 – Utility Bill Collections**

*Criteria:*

As cited in the investigative audit dated May 17, 2018 performed by the Louisiana Legislative Auditor, the City did not properly manage customer accounts.

*Statement of Condition:*

The City did not properly manage customer accounts in previous years which has resulted in large delinquent customer accounts still not fully collected or adjusted as allowed by statutes and inadequate oversight of all past due accounts.

*Cause of Condition:*

The condition results from a failure to properly monitor the receivables and collections in the Utility Fund in prior years.

*Effect of Condition:*

The City currently has a large amount of very past due utility bills that, if collected, could be used to pay for current operating expenses of the Utility Fund.

*Recommendation:*

We recommend the City evaluate the collectability of the past due balances reflected in the Utility Fund and pursue collections as appropriate or follow applicable laws allowing reductions of the delinquent balances.

**Finding No. 2019-002 – Ad Valorem Tax Collections**

*Criteria:*

LRS 47:2153 Notice of delinquency and tax sale states "No later than the first Monday of February of each year, or as soon thereafter as possible, the tax collector shall send written notice by certified mail, return receipt requested, to each tax notice party when the tax debtor has not paid all the statutory impositions which have been assessed on immovable property, notifying the person that the statutory impositions on the immovable property shall be paid within twenty days after the sending of the notice or as soon thereafter before the tax sale is scheduled, or that tax sale title to the property will be sold according to law."

**CITY OF JEANERETTE, LOUISIANA  
SUMMARY OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

***Section II - Financial Statement Findings - continued***

**Finding No. 2019-002 – Ad Valorem Tax Collections - continued**

*Statement of Condition:*

The City did not enforce the provisions of state laws regarding the collection of ad valorem taxes in prior years.

*Cause of Condition:*

The condition results from a failure of the past administration of the City to follow the requirements of this statute.

*Effect of Condition:*

The City currently has \$277,162 of delinquent ad valorem taxes receivable at June 30, 2019.

*Recommendation:*

We recommend the City pursue collection of delinquent ad valorem tax receivables and follow the remedies outlined in the statutes (tax sales and/or adjudications) as deemed necessary to facilitate collection of these past due amounts.

***Section III – Federal Award Findings and Questioned Costs***

**Finding 2019-003 – USDA Reserve Deposits**

*Program:*

ARRA – Water and Waste Disposal Systems for Rural Communities, CFDA Number 10.781.

*Criteria:*

The loan agreement between the City and the United States Department of Agriculture requires the City to establish and maintain two reserve accounts. The agreement requires the City to deposit, on a monthly basis, \$808 into a debt service reserve fund and \$4,622 into a depreciation reserve for short-lived assets fund.

*Statement of Condition:*

The City failed to make the required deposit in either of the reserve accounts during most of the year. The calculated shortfalls are \$31,468 for the debt service reserve fund and \$33,632 into the short-lived assets fund.

*Effect of Condition:*

The City is in direct violation with the loan agreement.

*Cause of Condition:*

The City did not make the required deposits for several years.

*Recommendation:*

We recommend continuing with the procedures put in place by the Fiscal Administrator to ensure these deposits are made on a monthly basis.

**SCHEDULE OF FINDINGS OF STATE REGULATORY AGENCIES  
FOR INVESTIGATIVE AUDIT ISSUED OCTOBER 24, 2018,  
INVESTIGATIVE AUDIT ISSUED MAY 17, 2018  
AND COMPLIANCE AUDIT ISSUED MARCH 4, 2014**

**CITY OF JEANERETTE, LOUISIANA  
INVESTIGATIVE AUDIT  
FINDINGS AND RECOMMENDATIONS  
OCTOBER 24, 2018**

On October 24, 2018, the Louisiana Legislative Auditor issued an investigative report conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the validity of the complaints received. The report contained three (3) material weaknesses which are summarized as follows:

**CONDITION:** City records indicate that City Employees received \$33,772 in utility payments between June 16, 2018 and January 19, 2018, that were not deposited into the City's bank account. If City employees failed to make deposits and retained City funds for themselves, they may have violated state law. In addition, the City's utility clerks did not make daily deposits of utility collections as required by state law.

**STATUS:** Per inquiry of the City's Fiscal Administrator, policies and procedure have been developed and implemented to address these issues. These issues were not noted during the June 30, 2019 audit.

**RESPONSE of FA:** This was further investigated by the Louisiana State Police and their findings were submitted to the District Attorney. Controls have been implemented to provide for the daily reconciliation and deposit of all collections.

**CONDITION:** City records indicate the City failed to pay federal and state government payroll taxes, totaling \$182,308, and file required reports from October 2015 to March 2018. By failing to correct this problem and comply with federal and state payroll tax regulations, the Mayor and the City's payroll clerk may have violated state law.

**STATUS:** Per inquiry of the City's Fiscal Administrator, policies and procedures have been put in place to insure accurate and timely filing of payroll tax payments and a payment plan has been developed with the taxing authorities to remit those delinquent withholdings as quickly as possible. In addition, all past due filing have been made.

**RESPONSE of FA:** All filings are current, and payments were made to both the IRS and Louisiana Department of Revenue to pay past due liabilities, however, the IRS applied the payroll tax payments to a civil penalty for not filing appropriate information returns (Form W-2s and 1099s) in 2014. The information returns have been filed and we have requested the abatement of penalties for the non-filing. As previously mentioned, this has been investigated further by state police and their report has been submitted to the District Attorney.

**CONDITION:** City records indicate that the City received at least \$18,850 in witness fees from December 2016 to April 2018, payable to off-duty City police officers and deputy marshals for court appearances. State law requires the witness fees be paid to these law enforcement officers within 30 days, but the City's records show that \$8,300 of witness fees were not reimbursed.

**STATUS:** Per inquiry of the City's Fiscal Administrator, policies and procedures have been put in place to insure witness fees are paid in accordance with state law.

**RESPONSE of FA:** The city has paid all past due witness fee obligations. Monthly, the city is paying the officers for witness fees received for court appearances. We will continue to make these payments in accordance with state law. As previously mentioned, this has been investigated further by state police and their report has been submitted to the District Attorney.

A complete copy of the report is available on the Louisiana Legislative Auditor's website, [www.la.state.la.us](http://www.la.state.la.us).

**CITY OF JEANERETTE, LOUISIANA  
INVESTIGATIVE AUDIT  
FINDINGS AND RECOMMENDATIONS  
MAY 17, 2018**

On May 17, 2018, the Louisiana Legislative Auditor issued an investigative report conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the validity of the complaints received regarding the improper management of the water system. The conclusion derived was that the City did not manage the utility system properly, which contributed to the financial information being incomplete, inaccurate, and unreliable. The report contained four (4) material weaknesses which are summarized as follows:

**CONDITION:** The City did not manage the oversight of the meter readings. This resulted in improper water usage of the City's customers. There were three factors that led to the improper management: a) intentional underreporting of water usage; b) inadequate oversight over meter readings; and c) faulty equipment.

**STATUS:** This was resolved in the current fiscal year under audit.

**RESPONSE of FA:** **The city has implemented procedures to provide oversight of meter readings.**

**CONDITION:** The City did not properly manage customer accounts. This resulted in unapproved customer billing adjustments, conflicting records for customers with high bills; inconsistent treatment of customer payables; and inadequate oversight over all past due accounts.

**STATUS:** The procedural side of this condition has been resolved, however the collection of past due accounts has not yet been resolved. See current year finding 2019-001.

**RESPONSE of FA:** **The city has implemented procedures to provide oversight of in this area.**

**CONDITION:** The City failed to reconcile customer meter deposits. The City could not provide documentation indicating which customer meter deposits were in the meter deposit bank account. By not having accurate and complete record of all meter deposits, the City cannot reconcile its meter deposit bank account to the customer meter deposits on record.

**STATUS:** This was resolved in the current fiscal year under audit.

**RESPONSE of FA:** **Meter deposits are reconciled, and deposits are applied to customer accounts when services are discontinued. The city's utility billing software provides a record of customer meter deposits.**

**CONDITION:** The City failed to monitor the utility system's financial stability. The utility system did not generate enough revenue to pay its residential solid waste (garbage) contractor. Records and statements from City employees further indicated that a dispute with the contractor and a failure to appropriately increase the garbage rate contributed to the City's inability to pay.

**STATUS:** Per inquiry of City personnel, policies and procedures are currently under review to address this issue and the City is seeking appropriate course of action to receive reimbursement from the contractor for overpayment of solid waste services. This was not reviewed as part of the current year audit.

**RESPONSE of FA:** **Water, sewer, and garbage rates have been increased based on a review of financial needs. We are continuing to monitor whether the revenues generated are sufficient to operate the services and to provide for reserves for repairs and replacement.**



**CITY OF JEANERETTE, LOUISIANA  
COMPLIANCE AUDIT  
FINDINGS AND RECOMMENDATIONS  
MARCH 5, 2014**

On March 5, 2014, the Louisiana Legislative Auditor issued a compliance audit report conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the propriety of certain financial transactions of the City. The report contained fifteen (15) findings which are summarized as follows:

**CONDITION:** The City's written policies and procedures did not cover all critical business/financial operations of the City (e.g., budgeting; public bid law; nature, extent, and frequency of financial reporting; ethics requirements).

**STATUS:** Per inquiry of City personnel, written policies and procedures are currently under review to address these issues.

**RESPONSE of FA:** The policies and procedures covering all financial activities are in draft form at this time. While not completed, we are following established procedures to provide proper control and oversight of all financial transactions. The written policies and procedures will be completed prior to the fiscal administrator's exit from Jeanerette.

**CONDITION:** Accounting duties were not adequately segregated between employees (e.g., payroll clerk was also reconciling payroll bank statements).

**STATUS:** Resolved during FYE June 30, 2019 audit.

**RESPONSE of FA:** Accounting duties have been segregated as much as possible to provide appropriate internal controls.

**CONDITION:** The City's bank statements had not been reconciled in well over a year (since June 30, 2012).

**STATUS:** Resolved during FYE June 30, 2019 audit.

**RESPONSE of FA:** All bank accounts are reconciled each month.

**CONDITION:** A logbook of accounts receivable (e.g., franchise fees and sales tax) was not being maintained as required by policy. Consequently, the City did not have an accounts receivable logbook available to reconcile monthly to the general ledger.

**STATUS:** Resolved during FYE June 30, 2019 audit.

**RESPONSE of FA:** The city treasurer tracks all accounts receivable.

**CONDITION:** Certain online payments made to vendors were not recorded in the general ledger. Also, the City was not reconciling its accounts payable listing to the general ledger on a monthly basis.

**STATUS:** Resolved during FYE June 30, 2019 audit.

**RESPONSE of FA:** All transactions are recorded each month and accounts payable are reconciled. We implemented a process of making vendor payment once every two weeks to ensure that the city is current in paying obligations.

**CITY OF JEANERETTE, LOUISIANA  
COMPLIANCE AUDIT  
FINDINGS AND RECOMMENDATIONS - continued  
MARCH 5, 2014**

CONDITION: Customer meter deposits recorded in the Utility billing system were not being reconciled monthly to the respective general ledger balance and to the meter deposit bank account.

STATUS: Resolved during FYE June 30, 2019 audit.

**RESPONSE of FA: Customer meter deposits are reconciled each month to the general ledger. Currently, there are more funds available in the meter deposits bank accounts than is recorded in the general ledger, we will be transferring these excess funds to the water system bank account.**

CONDITION: In 2013, the City was delinquent in filing its 3rd quarter payroll report (Form 941) with the Internal Revenue Service.

STATUS: Per inquiry of City personnel, this issue was resolved. Liabilities for the 4th Quarter 2016 through all of 2018 were not filed and/or completely paid. See Legislative Auditor's investigative report dated October 24, 2018.

**RESPONSE of FA: As noted in a subsequent Legislative Auditor report, the city was not properly filing federal or state payroll tax forms. The city was also not paying the federal or state tax liabilities. All filings are current, and payments were made to both the IRS and Louisiana Department of Revenue to pay past due liabilities, however, the IRS applied the payroll tax payments to a civil penalty for not filing appropriate information returns (Form W-2s and 1099s) in 2014. The information returns have been filed and we have requested the abatement of penalties for the non-filing.**

CONDITION: Contrary to state law [La. R.S. 39:1305 (C)], the General Fund budget (as adopted by ordinance) for the 2013-2014 fiscal year was not balanced. The budget reflected deficit spending and it did not include all elements required by the Local Government Budget Act (La. R.S. 39: 1305).

STATUS: This condition was not noted in the budget presented in the FYE June 30, 2019 audit.

**RESPONSE of FA: The general fund budget for 2019 and 2020 did not provide deficit spending and was in a format that contained the elements required by the Local Government Budget Act.**

CONDITION: The City had not implemented adequate controls to ensure that its fixed assets (e.g., equipment) were properly accounted for and safeguarded (e.g., assets not tagged and not reconciled with accounting records).

STATUS: Materially resolved during FYE June 30, 2019 audit.

**RESPONSE of FA: While this is still a work-in-progress, the city will continue to pursue the proper recording and tracking of fixed assets.**

**CITY OF JEANERETTE, LOUISIANA  
COMPLIANCE AUDIT  
FINDINGS AND RECOMMENDATIONS  
MARCH 5, 2014**

CONDITION: The City had not implemented adequate controls over fuel (e.g., no formal review and monitoring of usage).

STATUS: Per inquiry of City personnel, a fuel man card services is used for gasoline for City vehicles, and the only bulk fuel is a diesel tank at the City Barn. Controls to monitor fuel usage are currently under review by the City's administration. This could not be confirmed in current audit.

**RESPONSE of FA: The city uses the fuel man card service and usage is monitored each month.**

CONDITION: The City did not require all employees to complete and submit time sheets to document their attendance.

STATUS: Per inquiry of City personnel, all employees, including the police chief and fire chief are now filling out time sheets to document their attendance. This could not be confirmed during current audit.

**RESPONSE of FA: All city employees complete and submit either timecards or time sheets each pay period.**

CONDITION: The City's office staff had difficulty locating certain records for our review in a timely manner.

STATUS: There were no issued noted of difficulty in locating current year records during the June 30, 2019 audit.

**RESPONSE of FA: Records are now maintained by the city clerk and the city treasurer. There should be no difficulty in locating current records.**

CONDITION: The City did not have a records retention schedule approved by the Secretary of State's office as required by law (La. R.S. 44:411).

STATUS: Per inquiry of City personnel, the records retention schedule is complete and approved by the Secretary of State.

**RESPONSE of FA: The city now has a records retention schedule that was approved by the Secretary of State.**

CONDITION: The City's lease agreement for the use of the former Fruit of the Loom Plant contained lease dates that were different from the dates shown in the City's ordinance.

STATUS: Per inquiry of City personnel, this issue has been resolved.

**RESPONSE of FA: This issue was resolved.**

CONDITION: The City was not performing a review to ensure that all new employees were added to the City's health plan and that all premiums were being paid timely.

STATUS: Per inquiry of City personnel, this issue has been resolved.

**RESPONSE of FA: This issue has been resolved.**

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS**

P. O. Box 209  
Jeanerette, LA 70544  
(337) 276-4587  
Fax: (337) 276-5023



**CITY OF JEANERETTE**  
Carol Bourgeois Jr., Mayor  
"Sugar City"

**BOARD OF ALDERMEN/ALDERWOMEN**  
Willie Ward, Alderman at Large  
Clarence Clark - Ward 1 Mayor Pro Tem  
Charlene Moore - Ward 2  
Butch Bourgeois - Ward 3  
Louis Lancon - Ward 4

**CORRECTIVE ACTION PLAN**

**JUNE 30, 2019**

**Louisiana Legislative Auditor**

The City of Jeanerette, Louisiana respectfully submits the following corrective action plan for the year ended June 30, 2019.

**Finding No. 2019-001 – Utility Bill Collections**

*Recommendation:*

We recommend the City evaluate the collectability of the past due balances reflected in the Utility Fund and pursue collections as appropriate or follow applicable laws allowing reductions of the delinquent balances.

*Management's Response:*

We are in agreement with this finding and have started the necessary measures to correct.

**Finding No. 2019-002 – Ad Valorem Tax Collections**

*Recommendation:*

We recommend the City pursue collection of delinquent ad valorem tax receivables and follow the remedies outlined in the statutes (tax sales and/or adjudications) as deemed necessary to facilitate collection of these past due amounts.

*Management's Response:*

We are in agreement with this finding and have started the necessary measures to correct.

**Finding 2019-003 – USDA Reserve Deposits**

*Recommendation:*

We recommend continuing with the procedures put in place by the Fiscal Administrator to ensure these deposits are made on a monthly basis.

*Management's Response:*

When this was discovered by the Fiscal Administrator, the City contacted USDA to seek a resolution and began making deposits to the short-lived assets account as soon as funds were available to do so. The debt service reserve fund deposits were delayed because of cash flow issues until the water system could be properly repaired and revenue from rate increases were available for debt service. Water system maintenance had also been neglected in prior years and this is being addressed as well.

Sincerely yours,

David K Greer, CPA  
Fiscal Administrator

