

**CITY OF BREAUX BRIDGE, LOUISIANA**

Financial Report

Year Ended June 30, 2021

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### INDEPENDENT AUDITORS' REPORT

The Honorable Ricky Calais, Mayor  
and Members of the Board of Aldermen  
City of Breaux Bridge, Louisiana

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, of the City of Breaux Bridge, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City's primary government 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.

#### ***Auditors' Responsibility***

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

### **Basis for Adverse Opinion on Aggregate Discretely Presented Component Units**

The financial statements referred to above do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the aggregate discretely presented component units would have been presented as \$295,490, \$56,591, \$228,338, \$21,518, \$102,225, \$172,504, and \$146,358 respectively.

### **Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Breaux Bridge, Louisiana, as of June 30, 2021, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Breaux Bridge, Louisiana, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As discussed in Note 21 to the financial statements, in 2021, the City adopted new accounting guidance, GASB No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the information on pages 55 through 60 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 requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for

placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Breaux Bridge, Louisiana’s basic financial statements. The Utility Fund – statement of revenues, expenses and changes in retained earnings – budget (GAAP basis) and actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Justice System Funding Reporting Schedules (reporting schedules) were created by Act 87 of the Louisiana 2020 Regular Legislative Session. These reporting schedules are also not a required part of the basic financial statements.

The reporting schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 reporting schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Utility Fund – statement of revenues, expenses and changes in retained earnings – budget (GAAP basis) and actual has 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 it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021 on our consideration of the City of Breaux Bridge, 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 Breaux Bridge, 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 Breaux Bridge, Louisiana’s internal control over financial reporting and compliance.

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
October 29, 2021

## **BASIC FINANCIAL STATEMENTS**

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

CITY OF BREAUX BRIDGE

Statement of Net Position  
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 4,569,083	\$ 1,036,233	\$ 5,605,316
Receivables, net	686,895	359,870	1,046,765
Internal balances	208,743	(208,743)	-
Due from other governmental units	92,079	-	92,079
Prepaid items	25,016	35,652	60,668
Total current assets	<u>5,581,816</u>	<u>1,223,012</u>	<u>6,804,828</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	267,183	294,003	561,186
Capital assets:			
Non-depreciable	2,412,934	5,495,105	7,908,039
Depreciable, net	8,428,462	10,107,369	18,535,831
Total noncurrent assets	<u>11,108,579</u>	<u>15,896,477</u>	<u>27,005,056</u>
Total assets	<u>16,690,395</u>	<u>17,119,489</u>	<u>33,809,884</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>566,485</u>	<u>-</u>	<u>566,485</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts, salaries and other payables	609,600	584,542	1,194,142
Note payable	555,000	6,747,910	7,302,910
Total current liabilities	<u>1,164,600</u>	<u>7,332,452</u>	<u>8,497,052</u>
Noncurrent liabilities:			
Customers' deposits payable	-	293,976	293,976
Note payable	1,530,000	-	1,530,000
Net pension liability	1,666,235	-	1,666,235
Total noncurrent liabilities	<u>3,196,235</u>	<u>293,976</u>	<u>3,490,211</u>
Total liabilities	<u>4,360,835</u>	<u>7,626,428</u>	<u>11,987,263</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>131,015</u>	<u>-</u>	<u>131,015</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,756,396	8,854,564	17,610,960
Restricted for:			
Debt service	267,183	27	267,210
Sales tax dedications	3,461,965	-	3,461,965
Capital projects	485,480	-	485,480
Unrestricted	(205,994)	638,470	432,476
Total net position	<u>\$ 12,765,030</u>	<u>\$ 9,493,061</u>	<u>\$ 22,258,091</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Statement of Activities  
For the Year Ended June 30, 2021

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,800,838	\$ 483,490	\$ -	\$ -	\$ (1,317,348)	\$ -	\$ (1,317,348)
Public safety:							
Police	2,956,279	85,229	-	-	(2,871,050)	-	(2,871,050)
Streets	2,006,207	-	-	15,000	(1,991,207)	-	(1,991,207)
Sanitation	720,459	720,488	-	-	29	-	29
Parks and recreation	331,078	-	-	-	(331,078)	-	(331,078)
Interest on long-term debt	62,008	-	-	-	(62,008)	-	(62,008)
Total governmental activities	<u>7,876,869</u>	<u>1,289,207</u>	<u>-</u>	<u>15,000</u>	<u>(6,572,662)</u>	<u>-</u>	<u>(6,572,662)</u>
Business-type activities:							
Water	1,871,970	1,593,057	-	-	-	(278,913)	(278,913)
Sewer	836,940	1,081,257	-	-	-	244,317	244,317
Interest on long-term debt	26,805	-	-	-	-	(26,805)	(26,805)
Total business-type activities	<u>2,735,715</u>	<u>2,674,314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,401)</u>	<u>(61,401)</u>
Total	<u>\$ 10,612,584</u>	<u>\$ 3,963,521</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>(6,572,662)</u>	<u>(61,401)</u>	<u>(6,634,063)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					312,718	-	312,718
Sales and use taxes, levied for general purposes					6,463,452	-	6,463,452
Franchise taxes					439,313	-	439,313
Grants and contributions not restricted to specific programs -							
State and local sources					635,512	-	635,512
Interest and investment earnings					-	352	352
Miscellaneous					524,728	74,853	599,581
Transfers					(190,000)	190,000	-
Total general revenues and transfers					<u>8,185,723</u>	<u>265,205</u>	<u>8,450,928</u>
Change in net position					1,613,061	203,804	1,816,865
Net position - July 1, 2020					<u>11,151,969</u>	<u>9,289,257</u>	<u>20,441,226</u>
Net position - June 30, 2021					<u>\$ 12,765,030</u>	<u>\$ 9,493,061</u>	<u>\$ 22,258,091</u>

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **MAJOR FUNDS**

#### **General Fund**

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

#### **Special Revenue Funds**

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

##### **Sales Tax Fund -**

To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes may only be used for improvements and operation of specific public works and recreational facilities and to fund payment of the City's public improvement bonds.

On January 1, 2020, another 1% sales and use tax was passed. This additional tax is to be dedicated and used solely for the purposes of (i) acquiring, constructing, improving, maintaining and/or operating infrastructure, including public streets, sidewalks and right-of-way, drainage, waterworks, parks and recreation facilities, and the purchasing and acquiring of necessary equipment, land and rights-of-way for any of the aforesaid public works, improvements and facilities, (ii) public safety, including police and fire operations, facilities and equipment and (iii) cultural and economic development.

##### **District Sales Tax Fund -**

To account for the receipt and use of proceeds of the City's additional 1% sales and use tax. This additional sales and use tax is in the Sales Tax District No. 1 of the City of Breaux Bridge. 20% of these taxes may only be used for repairs and maintenance of the City's infrastructure which serves property located within the municipal limits in accordance with an Annual Plan for Repair and Maintenance of Municipality Infrastructure. The remaining 80% of these taxes may be used for new construction of infrastructure within the City of Breaux Bridge, or for the substantial improvement of existing infrastructure within the municipal limits, all according to a Master Plan for the Construction of Municipal Infrastructure.

##### **Capital Projects Fund**

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).

##### **Capital Projects Fund -**

To account for various projects being funded by the District Sales Tax Fund according to the Master Plan.

#### **Enterprise Fund**

##### **Utility Fund -**

To account for the provision of water and sewer services to residents of the City and some residents of St. Martin Parish. 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.

### **NONMAJOR FUNDS**

Four Capital Projects Funds and three Debt Service Funds have been combined and are presented as the nonmajor funds.

#### **Fiduciary Fund**

##### **Bond Fee Fund -**

To account for the collection of bond fees and payment of these collections to various governmental agencies in accordance with applicable laws.

CITY OF BREAUX BRIDGE

Balance Sheet  
Governmental Funds  
June 30, 2021

	General	Sales Tax Special Revenue	District Sales Tax Special Revenue	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and interest-bearing deposits	\$ 895,077	\$ 1,776,321	\$ 1,365,638	\$ 386,482	\$ 412,748	\$ 4,836,266
Receivables:						
Taxes and licenses	4,732	482,298	81,814	-	-	568,844
Due from other governmental units	210,130	-	-	-	-	210,130
Due from other funds	222,693	-	-	242,000	-	464,693
Prepaid items	25,016	-	-	-	-	25,016
Total assets	<u>\$ 1,357,648</u>	<u>\$ 2,258,619</u>	<u>\$ 1,447,452</u>	<u>\$ 628,482</u>	<u>\$ 412,748</u>	<u>\$ 6,104,949</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and accrued expenditures	\$ 316,676	\$ 2,106	\$ -	\$ 262,327	\$ 12,290	\$ 593,399
Due to other funds	-	-	242,000	13,950	-	255,950
Total liabilities	<u>316,676</u>	<u>2,106</u>	<u>242,000</u>	<u>276,277</u>	<u>12,290</u>	<u>849,349</u>
<b>Fund balances -</b>						
Nonspendable	25,016	-	-	-	-	25,016
Restricted	-	2,256,513	1,205,452	352,205	400,458	4,214,628
Unassigned	<u>1,015,956</u>	-	-	-	-	<u>1,015,956</u>
Total fund balances	<u>1,040,972</u>	<u>2,256,513</u>	<u>1,205,452</u>	<u>352,205</u>	<u>400,458</u>	<u>5,255,600</u>
Total liabilities and fund balances	<u>\$ 1,357,648</u>	<u>\$ 2,258,619</u>	<u>\$ 1,447,452</u>	<u>\$ 628,482</u>	<u>\$ 412,748</u>	<u>\$ 6,104,949</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2021

Total fund balances for governmental funds at June 30, 2021 \$ 5,255,600

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

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds. Those  
assets consist of:

Land	\$ 472,382	
Construction in progress	1,940,552	
Buildings and improvements, net of \$1,821,925 accumulated depreciation	3,493,233	
Equipment and vehicles, net of \$3,165,680 accumulated depreciation	1,168,584	
Infrastructure, net of \$5,411,936 accumulated depreciation	<u>3,766,645</u>	\$ 10,841,396

The deferred outflows of expenditures are not a use of current  
resources, and are therefore, not reported in the funds:

Pension plan	566,485
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General long-term debt of governmental activities is not payable  
from current resources and, therefore, not reported in the funds.  
This debt is:

Notes payable and underlying accrued interest	(2,101,201)	
Net pension liability	<u>(1,666,235)</u>	
		(3,767,436)

The deferred inflows of contributions are not available resources,  
and therefore, are not reported in the funds:

Pension plan	<u>(131,015)</u>	<u>7,509,430</u>
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Total net position of governmental activities at June 30, 2021 \$ 12,765,030

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Governmental Funds  
For the Year Ended June 30, 2021

	General	Sales Tax Special Revenue	District Sales Tax Special Revenue	Capital Projects Fund	Nonmajor Funds	Total
<b>Revenues:</b>						
Taxes	\$ 752,031	\$ 5,463,078	\$ 1,000,374	\$ -	\$ -	\$7,215,483
Licenses and permits	483,490	-	-	-	-	483,490
Grants (federal and state)	-	-	-	-	15,000	15,000
Intergovernmental	635,512	-	-	-	-	635,512
Charges for services	720,488	-	-	-	-	720,488
Fines and forfeits	85,229	-	-	-	-	85,229
Miscellaneous	364,494	-	-	120,937	-	485,431
Total revenues	<u>3,041,244</u>	<u>5,463,078</u>	<u>1,000,374</u>	<u>120,937</u>	<u>15,000</u>	<u>9,640,633</u>
<b>Expenditures:</b>						
Current -						
General government	1,517,418	86,443	14,573	-	-	1,618,434
Streets and bridges	1,365,987	-	-	-	-	1,365,987
Sanitation	720,459	-	-	-	-	720,459
Public safety -police	2,643,426	-	-	-	-	2,643,426
Culture and recreation	191,455	-	-	-	-	191,455
Debt service	-	-	-	-	597,008	597,008
Capital outlay	517,176	-	-	937,152	35,061	1,489,389
Total expenditures	<u>6,955,921</u>	<u>86,443</u>	<u>14,573</u>	<u>937,152</u>	<u>632,069</u>	<u>8,626,158</u>
Excess (deficiency) of revenues over expenditures	<u>(3,914,677)</u>	<u>5,376,635</u>	<u>985,801</u>	<u>(816,215)</u>	<u>(617,069)</u>	<u>1,014,475</u>
<b>Other financing sources (uses):</b>						
Operating transfers in	4,250,000	-	-	557,000	603,266	5,410,266
Operating transfers out	(22,937)	(4,586,883)	(975,446)	-	(15,000)	(5,600,266)
Total other financing sources (uses)	<u>4,227,063</u>	<u>(4,586,883)</u>	<u>(975,446)</u>	<u>557,000</u>	<u>588,266</u>	<u>(190,000)</u>
Net changes in fund balances	312,386	789,752	10,355	(259,215)	(28,803)	824,475
Fund balances, beginning	<u>728,586</u>	<u>1,466,761</u>	<u>1,195,097</u>	<u>611,420</u>	<u>429,261</u>	<u>4,431,125</u>
Fund balances, ending	<u>\$1,040,972</u>	<u>\$ 2,256,513</u>	<u>\$ 1,205,452</u>	<u>\$ 352,205</u>	<u>\$ 400,458</u>	<u>\$5,255,600</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Reconciliation of the Statement of Revenues, Expenditures, and  
 Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2021

Total net changes in fund balances at June 30, 2021 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 824,475
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$1,489,389
Depreciation expense	<u>(1,057,002)</u> 432,387
Expenses not requiring the use of current financial resources and, therefore, not reported as expenditures in the governmental funds:	
Net change in note payable	535,000
Net change in net pension liability and related deferrals	<u>(178,801)</u>
Total changes in net position for the year ended June 30, 2021 per Statement of Activities	<u>\$ 1,613,061</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Statement of Net Position  
 Proprietary Fund  
 June 30, 2021

ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 1,036,233
Receivables:	
Accounts	359,870
Prepaid items	<u>35,652</u>
Total current assets	<u>1,431,755</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	294,003
Capital assets, net of accumulated depreciation	<u>15,602,474</u>
Total noncurrent assets	<u>15,896,477</u>
Total assets	<u>17,328,232</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	584,542
Due to other funds	208,743
Revenue bonds payable	6,747,910
Customers' deposits	<u>293,976</u>
Total liabilities	<u>7,835,171</u>
DEFERRED INFLOWS OF RESOURCES	
NET POSITION	
Net investment in capital assets	8,854,564
Restricted for debt service	27
Unrestricted	<u>638,470</u>
Total net position	<u>\$ 9,493,061</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Statement of Revenues, Expenses, and Changes in Fund Net Position -  
Proprietary Fund

For the Year Ended June 30, 2021

Operating revenues:	
Charges for services	\$ 2,512,301
Miscellaneous	<u>162,013</u>
Total operating revenues	<u>2,674,314</u>
Operating expenses:	
Repairs and maintenance	407,337
Salaries	510,304
Depreciation	775,751
Other operating expenses	<u>985,735</u>
Total operating expenses	<u>2,679,127</u>
Operating loss	<u>(4,813)</u>
Nonoperating revenues (expenses):	
Interest on investments	352
Interest expense	(26,805)
Administrative expenses on bonds	(29,783)
Miscellaneous	<u>74,853</u>
Total nonoperating revenue	<u>18,617</u>
Income before transfers	<u>13,804</u>
Operating transfers in	190,000
Operating transfers out	<u>-</u>
Total operating transfers	<u>190,000</u>
Change in net position	203,804
Net position, beginning	<u>9,289,257</u>
Net position, ending	<u>\$ 9,493,061</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Statement of Cash Flows  
 Proprietary Fund  
 For the Year Ended June 30, 2021

Cash flows from operating activities:	
Receipts from customers	\$ 2,705,385
Payments to suppliers	(1,283,059)
Payments to employees	(510,304)
Net cash provided by operating activities	<u>912,022</u>
Cash flows from noncapital financing activities:	
Cash received from others	74,853
Operating transfers in from other funds	<u>221,442</u>
Net cash provided by noncapital financing activities	<u>296,295</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds	(315,000)
Interest paid on revenue bonds	(26,805)
Administrative expenses on bonds	(29,783)
Proceeds from revenue bonds	1,847,233
Acquisition of capital assets	<u>(2,473,487)</u>
Net cash used by capital and related financing activities	<u>(997,842)</u>
Cash flows from investing activities:	
Interest on investments and interest-bearing deposits	<u>352</u>
Net increase in cash and cash equivalents	210,827
Cash and cash equivalents, beginning of period	<u>1,119,409</u>
Cash and cash equivalents, end of period	<u>\$ 1,330,236</u>

(continued)

CITY OF BREAUX BRIDGE

Statement of Cash Flows  
 Proprietary Fund (Continued)  
 For the Year Ended June 30, 2021

Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$ (4,813)
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	775,751
Changes in current assets and liabilities:	
Decrease in accounts receivable	39,102
Decrease in prepaid items	2
Increase in accounts payable and accrued liabilities	<u>101,980</u>
Total adjustments	<u>916,835</u>
Net cash provided by operating activities	<u>\$ 912,022</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	\$ 852,271
Cash - restricted	<u>267,138</u>
Total cash and cash equivalents	<u>1,119,409</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	1,036,233
Cash - restricted	<u>294,003</u>
Total cash and cash equivalents	<u>1,330,236</u>
Net increase	<u>\$ 210,827</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Statement of Fiduciary Net Position  
Bond Fee Fund  
June 30, 2021

Assets

Cash and cash equivalents	<u>\$ 449</u>
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Net Position

Restricted for:

Other governments	<u>\$ 449</u>
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The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Statement of Changes in Fiduciary Net Position- Fuduciary Fund  
For the Year Ended June 30,2021

ADDITIONS	
Bond fee collections	\$ -
Total additions	-
DEDUCTIONS	
Fees paid to other governments	-
Net increase in fiduciary net position	-
Net position-beginning, as restated	449
Net position- ending	<u>\$ 449</u>

The accompanying notes are an integral part of this statement.

## CITY OF BREAUX BRIDGE, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The City of Breaux Bridge was incorporated on January 26, 1901 under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Aldermen form of government.

The accompanying financial statements of the City of Breaux Bridge (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. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

##### A. Financial Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, and the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

The Breaux Bridge City Court and the Breaux Bridge City Marshal were determined to be component units of the City of Breaux Bridge, primary government. This determination was made on the financial interdependency criterion. Both the City Court and the City Marshal have a December 31 year-end.

The City has chosen to issue financial statements of the primary government (City) only; therefore, neither of the previously listed component units are included in the accompanying financial statements. Financial information for these component units may be obtained by contacting the respective component unit.

These primary government (City) financial statements include all funds, account groups, and organizations for which the City maintains the accounting records.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (City) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted

## CITY OF BREAUX BRIDGE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government.

The Breaux Bridge Housing Authority was chartered by the City in 1958. The Authority's five-member board of directors is appointed by the Mayor and Board of Aldermen of the City. The City's oversight responsibilities in the management, operation and financial accountability of the Authority are remote. For this reason, the Authority is not considered to be a component unit of the City and accordingly, is not included in the City's audited financial statements. The Authority's in-lieu-of-tax payment to the City was waived for 2021.

The City has no authority over, nor is it involved in the record keeping of the Breaux Bridge Volunteer Fire Department; therefore, the Department is not considered to be a component unit of the City and accordingly, is not included in the City's audited financial statements.

#### B. Basis of Presentation

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

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

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

##### 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-

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the City are classified into two categories: governmental and proprietary (enterprise). 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.

Five funds of the City are considered to be major funds and are described below:

Governmental Funds -

General Fund -

The General Fund is the general operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund -

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

Sales Tax Fund -

To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes may only be used for improvements and operation of specific public works and recreational facilities and to fund payment of the City's public improvement bonds.

On January 1, 2020, another 1% sales and use tax was passed. This additional tax is to be dedicated and used solely for the purposes of (i) acquiring, constructing, improving, maintaining and/or operating infrastructure, including public streets, sidewalks and right-of-way, drainage, waterworks, parks and recreation facilities, and the purchasing and acquiring of necessary equipment, land

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

and rights-of-way for any of the aforesaid public works, improvements and facilities, (ii) public safety, including police and fire operations, facilities and equipment and (iii) cultural and economic development.

District Sales Tax Fund --

To account for the receipt and use of proceeds of the City's additional 1% sales and use tax. This additional sales and use tax is in the Sales Tax District No. 1 of the City. 20% of these taxes may only be used for repairs and maintenance of the City's infrastructure which serves property located within the municipal limits in accordance with an Annual Plan for Repair and Maintenance of Municipality Infrastructure. The remaining 80% of these taxes may be used for new construction of infrastructure within the City, or for the substantial improvement of existing infrastructure within the municipal limits, all according to a Master Plan for the Construction of Municipal Infrastructure.

Capital Projects 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).

Capital Projects Fund --

To account for various projects being funded by the District Sales Tax Fund according to the Master Plan.

Proprietary Fund -

Enterprise Fund -

The enterprise fund is 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. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from charges for services. All other revenues are reported as nonoperating.

The City's nonmajor funds are described below:

Capital Projects Funds -

CITY OF BREAUX BRIDGE, LOUISIANA  
Notes to Basic Financial Statements (Continued)

Reserve Bond Construction Fund -

To account for the water system improvements set forth in the Master Plan. Financing is provided by the issuance of \$2,700,000 of revenue bonds.

LCDBG Capital Projects Fund –

To account for various projects financed partially or completely by community block grants.

2015 Limited Tax Equipment Fund –

To account for the acquisition of vehicles and equipment. Financing is provided by the issuance of \$225,000 of limited tax revenue bonds.

2017 Utility Construction Fund –

To account for sewer improvement projects.

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.

There are three debt service funds at June 30, 2021. One handles payments on the 2008 Certificate of Indebtedness and the 2010 Street Improvement Bonds. It is used to account for repayment of \$3,000,000 certificate of indebtedness, Series 2008, which is due in annual installments, plus interest, until maturity in 2023. It is also used to account for repayment of \$1,000,000 street improvement bonds, Series 2010, which is due in annual installments, plus interest, until maturity in 2020. The second handles repayment of \$1,000,000 limited tax bonds Series 2010, which is due in annual installments, plus interest, until maturity in 2020. It is also used to account for repayment of \$225,000 limited tax revenue bonds, Series 2015, which is due in annual installments, plus interest, until maturity in 2026. The third handles repayment of \$2,700,000 revenue bonds, Series 2015, which is due in annual installments, plus interest, until maturity in 2025.

Fiduciary Fund Type -

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City programs. The City has adopted GASBS No. 84 for the reporting and classification of its fiduciary activities. Fiduciary reporting focus is on net position and changes in net position and is reported using the accrual basis of accounting.

The City's fiduciary fund is presented in the fiduciary fund financial statements by type (custodial). Because by definition these assets are being held for

## CITY OF BREAUX BRIDGE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

the benefit of a third party (other local organizations or governments) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The fund accounted for in this category for the City is a custodial fund. This fund is the Bond Fee Fund and is used to account for the collection of bond fees and payment of these collections to various governmental agencies in accordance with applicable laws.

#### C. Measurement Focus/Basis of Accounting

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

##### Measurement Focus

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

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

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

##### Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when 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. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the City. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

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 and franchise taxes. Business-type

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

activities report customer's utility service receivables as their major receivables. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading/billing and the end of the month are estimated and recorded at June 30, 2021.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	15-40 years
Equipment and vehicles	2-30 years
Utility system and improvements	10-50 years
Infrastructure	40 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.

Prior to the adoption of GASB 34, it was the City's policy not to record infrastructure; therefore, the City did not have a complete listing of infrastructure. The City has opted not to do a detailed analysis of existing infrastructure. Rather, we will begin accumulating infrastructure information prospectively.

Restricted Assets

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

## CITY OF BREAUX BRIDGE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### 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. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

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

#### Unpaid Accumulated Vacation, Sick Pay, and Compensated Time

Unused vacation accumulated by employees is lost each year unless taken. Sick leave accumulates from year to year but is lost upon termination. Compensated time (overtime earned but not paid) is accumulated by employees and is not lost upon termination.

#### Deferred Outflows of Resources and Deferred Inflows of Resources

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

#### Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the two categories of net position.

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

Fund balances of the governmental funds are classified as follows:

*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.

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

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Board of Aldermen. 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.

*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 policy, only Board members may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

As of June 30, 2021, fund balances are composed of the following:

	<u>General</u>	Sales Tax Special Revenue	District Sales Tax Special Revenue	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable						
Prepaid items	\$ 25,016	\$ -	\$ -	\$ -	\$ -	\$ 25,016
Restricted:						
Sales taxes	-	2,256,513	1,205,452	-	-	3,461,965
Construction	-	-	-	352,205	133,275	485,480
Debt service	-	-	-	-	267,183	267,183
Unassigned	<u>1,015,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,015,956</u>
Total fund balances	<u>\$1,040,972</u>	<u>\$2,256,513</u>	<u>\$1,205,452</u>	<u>\$ 352,205</u>	<u>\$ 400,458</u>	<u>\$ 5,255,600</u>

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. Capitalization of Interest Expense

It is not the policy of the City to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets.

F. Use of Estimates

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

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2021, the City has cash and interest-bearing deposits (book balances) totaling \$6,166,951 of which \$449 is attributable to the nonmajor fiduciary fund, which is not presented in the statement of net position.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit within the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2021, are as follows:

Bank Balances	<u>\$ 6,306,782</u>
At June 30, 2021 the deposits are secured as follows:	
Federal deposit insurance	\$ 500,000
Pledged securities	<u>5,806,782</u>
Total	<u>\$ 6,306,782</u>

Deposits in the amount of \$5,806,782 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. The City does not have a policy for custodial credit risk.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Receivables

Receivables at June 30, 2021 of \$1,046,765 consist of the following:

	<u>General</u>	<u>Sales Tax</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ 633,112	\$ 633,112
Allowance	-	-	(273,242)	(273,242)
Taxes:				
Sales tax	-	564,088	-	564,088
Property tax	27,413	-	-	27,413
Allowance	(23,047)	-	-	(23,047)
Franchise tax	110,544	-	-	110,544
Fines, licenses, etc.	7,873	24	-	7,897
Totals	<u>\$ 122,783</u>	<u>\$ 564,112</u>	<u>\$ 359,870</u>	<u>\$ 1,046,765</u>

(4) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2021 consisted of the following:

General Fund:

Amount due from the State of Louisiana for video poker receipts for May and June 2021. \$ 67,670

Amount due from the Department of Motor Vehicles for fees for June 2021. 5,909

Amount due from the State of Louisiana for beer tax revenues earned during fiscal year ending June 30, 2021. 5,648

Amount due from FEMA for hurricane damage reimbursements during fiscal year ending June 30, 2021. 12,852

\$ 92,079

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance 07/01/20	Additions	Deletions	Balance 06/30/21
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 472,382	\$ -	\$ -	\$ 472,382
Construction in progress	507,072	1,433,480	-	1,940,552
Capital assets being depreciated:				
Building and improvements	5,512,763	277,286	(474,891)	5,315,158
Equipment and vehicles	4,140,281	244,134	(50,151)	4,334,264
Infrastructure	9,169,201	9,380	-	9,178,581
Totals	<u>19,801,699</u>	<u>1,964,280</u>	<u>(525,042)</u>	<u>21,240,937</u>
Less accumulated depreciation:				
Building and improvements	1,644,102	177,823	-	1,821,925
Equipment and vehicles	2,930,037	285,794	(50,151)	3,165,680
Infrastructure	4,818,551	593,385	-	5,411,936
Total accumulated depreciation	<u>9,392,690</u>	<u>1,057,002</u>	<u>(50,151)</u>	<u>10,399,541</u>
Governmental activities, capital assets, net	<u>\$ 10,409,009</u>	<u>\$ 907,278</u>	<u>\$ (474,891)</u>	<u>\$ 10,841,396</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 150,200	\$ -	\$ -	\$ 150,200
Construction in progress	4,092,672	2,045,378	(793,145)	5,344,905
Capital assets being depreciated:				
Plant and equipment - water system	9,562,456	17,084	-	9,579,540
Plant and equipment - sewer system	12,337,212	1,204,170	-	13,541,382
Autos and office equipment	913,077	-	-	913,077
Totals	<u>27,055,617</u>	<u>3,266,632</u>	<u>(793,145)</u>	<u>29,529,104</u>
Less accumulated depreciation:				
Plant and equipment - water system	5,861,714	292,945	-	6,154,659
Plant and equipment - sewer system	6,609,753	412,846	-	7,022,599
Autos and office equipment	679,412	69,960	-	749,372
Total accumulated depreciation	<u>13,150,879</u>	<u>775,751</u>	<u>-</u>	<u>13,926,630</u>
Business-type activities, capital assets, net	<u>\$ 13,904,738</u>	<u>\$ 2,490,881</u>	<u>\$ (793,145)</u>	<u>\$ 15,602,474</u>

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 182,404
Police	94,755
Streets	640,220
Park and recreation	<u>139,623</u>
Total depreciation expense	<u>\$ 1,057,002</u>

(6) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2021:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 185,408	\$ 150,114	\$ 335,522
Sales tax	-	954	954
Accrued payroll	57,302	17,837	75,139
Payroll withholdings	15,201	2,371	17,572
Contracts payable	198,963	190,613	389,576
Retainage payable	75,654	222,653	298,307
Contingent liabilities	60,871	-	60,871
Accrued interest payable	16,201	-	16,201
Totals	<u>\$ 609,600</u>	<u>\$ 584,542</u>	<u>\$ 1,194,142</u>

(7) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the City of Breaux Bridge, Louisiana for the year ended June 30, 2021. The bonds and revenue column relates to governmental activities and are therefore paid by the debt service funds. The utility revenue bonds column relates to business-type activities, and the payments are made from the enterprise fund.

	Bonds & Revenue	Utility Revenue	Total
Long-term debt at July 1, 2020	\$ 2,620,000	\$ 5,215,677	\$ 7,835,677
Debt assumed	-	1,847,233	1,847,233
Debt retired	<u>(535,000)</u>	<u>(315,000)</u>	<u>(850,000)</u>
Long-term debt at June 30, 2021	<u>\$ 2,085,000</u>	<u>\$ 6,747,910</u>	<u>\$ 8,832,910</u>

CITY OF BREAUX BRIDGE, LOUISIANA  
Notes to Basic Financial Statements (Continued)

Long-term debt at June 30, 2021 is comprised of the following:

Street improvement bonds

\$3,000,000 Certificate of Indebtedness, Series 2008, due in annual installments of \$140,000 to \$270,000; from June 1, 2009 to June 1, 2023; interest rate of 2.75 percent; payable from general revenues of the City. \$ 530,000

Limited tax bonds

\$225,000 Limited Tax Bonds, Series 2015, due in annual installments of \$20,000 to \$25,000; from March 1, 2016 to March 1, 2026; interest rate of 2.35 percent; payable from property tax revenues of the City. \$ 105,000

Revenue bonds

\$2,700,000 Revenue Bonds, Series 2015, due in annual installments of \$240,000 to \$305,000; from September 1, 2016 to September 1, 2025; interest rate of 2.35 percent; payable from sales tax revenues of Sales Tax District No. 1. \$ 1,450,000

\$8,000,000 Utilities Revenue Bonds, Series 2017, due in annual installments of \$365,000 to \$437,000; from January 1, 2018 to January 1, 2037; interest rate of .450 percent; payable from the net revenues of the combined water and sewer systems of the City. \$ 6,747,910

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The annual requirements to amortize all debt outstanding at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 7,302,910	\$ 47,886	7,350,796
2023	570,000	33,745	603,745
2024	310,000	19,153	329,153
2025	320,000	11,750	331,750
2026	330,000	4,171	334,171
Totals	<u>\$ 8,832,910</u>	<u>\$ 116,705</u>	<u>\$ 8,949,615</u>

The Utilities Revenue Bonds were not received in a lump sum. Instead, the funds are being drawn on an as needed basis. Until all funds have been drawn and the work is complete, no final maturity date or repayment schedule is available; however, debt repayments have been made in the fiscal year ending June 30, 2021. There are several projects that will be covered by these funds. The projected completion date on these projects is January of 2022. The entire balance is considered to be short-term.

(8) Dedication of Sales Tax Revenues

A sales and use tax of 1 percent was levied as of May 1, 1971 after approval by the registered voters of the City of Breaux Bridge. Revenues to be derived from the tax are dedicated to: constructing, acquiring, extending, improving, operating and maintaining waterworks, garbage and waste disposal facilities, streets and bridges, including incidental drainage in connection therewith, and recreational facilities; and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, improvements and facilities. The tax can also be used to fund payment of the City's public improvement bonds.

Another sales and use tax of 1 percent was levied as of January 1, 2009. This additional sales and use tax is in the Sales Tax District No. 1 of the City of Breaux Bridge. Revenues to be derived from the tax were dedicated to constructing, improving, and maintaining infrastructure, or to promote economic development, or funded into bonds for such purposes. On July 1, 2019, a new law was passed to rededicate these monies as follows:

- 20% for the repairs and maintenance of the City's infrastructure which serves property located within the municipal limits in accordance with an Annual Plan for Repairs and Maintenance of Municipality Infrastructure.
- 80% for new construction of infrastructure within the City of Breaux Bridge, or for the substantial improvement of existing infrastructure within the municipal limits, all according to a Master Plan for the Construction of Municipal Infrastructure.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

On January 1, 2020, another 1% sales and use tax was passed. This additional tax is to be dedicated and used solely for the purposes of (i) acquiring, constructing, improving, maintaining and/or operating infrastructure, including public streets, sidewalks and rights-of-way, drainage, waterworks, parks and recreation facilities, and the purchasing and acquiring of necessary equipment, land and rights-of-way for any of the aforesaid public works, improvements and facilities, (ii) public safety, including police and fire operations, facilities and equipment and (iii) cultural and economic development.

(9) Enterprise Fund Operations

Operations of the City's Utility System consist of water and sewerage utilities. Operating expenses which are not directly chargeable to the individual departments are allocated to the departments on the basis of number of utility customers and managerial estimates.

Operating results of the individual utilities were as follows:

	<u>Year Ended June 30,</u>	<u>Charges for Services</u>	<u>Miscellaneous Operating Revenues</u>	<u>Other Operating Expenses</u>	<u>Operating Income (Loss)</u>
Water utility	2021	\$ 1,496,548	\$ 96,509	\$ 1,842,187	\$ (249,130)
Sewerage system	2021	\$ 1,015,753	\$ 65,504	\$ 836,940	\$ 244,317

At June 30, 2021, the City was furnishing utility service to the following number of customers:

Water customers	3,234
Sewer customers	2,969

(10) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2021:

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 222,693	\$ -
District Sales Tax Special Revenue	-	242,000
Capital Projects Fund	242,000	13,950
Enterprise Fund:		
Utility Fund	-	208,743
Non-Major Funds	-	-
Total	<u>\$ 464,693</u>	<u>\$ 464,693</u>

Garbage fees were not yet paid at year-end, causing the balance as noted above. An expected transfer for a particular capital project also was not paid at year-end. These balances are expected to be paid within the next fiscal year.

B. Interfund transfers

Interfund transfers consisted of the following at June 30, 2021:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 4,250,000	\$ 22,937
Sales Tax Special Revenue Fund	-	4,586,883
District Sales Tax Special Revenue Fund	-	975,446
Capital Projects Fund	557,000	-
Enterprise Fund:		
Utility Fund	190,000	-
Non-major Funds	603,266	15,000
Total	<u>\$ 5,600,266</u>	<u>\$ 5,600,266</u>

Transfers made to the general fund are for the normal operations of the City. The amounts each fund will transfer are calculated as part of the budget preparation process. These amounts reflect each funds' proportionate share of expenses paid out of the general fund. Additional transfers made from the special revenue funds are for recreational facilities, maintenance of public works, and funding payment of the bonds.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Ad Valorem Taxes

For the year ended June 30, 2021, taxes of 4.23 mills were levied on property with assessed valuations totaling \$69,314,782 and were dedicated as follows:

General corporate purposes	4.23 mills
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Total taxes levied were \$293,202 of which \$27,413 had not been collected at June 30, 2021. The taxes are levied and assessed on or about October and November, respectively, of each year.

Tax bills are mailed in December, become liens on December 31, and are delinquent if unpaid as of March 1. The majority of collections occur in the months of December through February.

(12) Restricted Assets - Utility Fund

Restricted assets were composed of savings accounts at June 30, 2021 and were restricted as follows:

Customers' deposits	<u>\$ 294,003</u>
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CITY OF BREAUX BRIDGE, LOUISIANA  
Notes to Basic Financial Statements (Continued)

(13) Compensation of City Officials

A detail of compensation paid to City officials for the year ended June 30, 2021 follows:

Ricky Calais, Mayor	<u>\$ 67,500</u>
Aldermen:	
Scotty Borel	10,200
Ryan Breaux	10,200
Eddy LeBlanc	10,200
Ernest Ledet	10,200
Neil Melancon	<u>10,200</u>
Total	<u>\$ 51,000</u>
Corando Cantu	<u>\$ 61,803</u>
Randy Angelle, Judge	<u>\$ 6,600</u>
Jerry Frederick, City Marshal (through 12/31/2020)	<u>\$ 10,346</u>
Voorhies Dupuis (beginning 01/01/2021)	<u>\$ 10,397</u>

(14) Risk Management

The City is exposed to risks of loss in the areas of general and auto liability, property hazards, health care, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year nor have settlements exceeded coverage during the current year or preceding two years.

(15) Deferred Compensation Plan

Certain employees of the City participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) On-behalf Payments

The City recognized \$149,833 as a revenue and an expenditure for on-behalf salary payments made by the state of Louisiana.

(17) Commitments and Contingencies

A. Contingent Liabilities

The City has determined that \$60,871 is a reasonable estimate of potential liability related to some of the claims filed. Accordingly, \$60,871 has been accrued at June 30, 2021 and is reflected in accounts, salaries and other payables. There are other claims that are uncertain / premature for estimation of possible loss. Therefore, no accrual has been recorded for these claims.

B. Commitments

The City has construction commitments with respect to unfinished projects of approximately \$423,233.

(18) Act 706-Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, the City of Breaux Bridge is required to disclose the compensation, reimbursements, benefits, and other payments made to the mayor, in which the payments are related to the position. The following is a schedule of payments made to the mayor for the year ended June 30, 2021.

Entity head: Ricky Calais, Mayor

Salary	\$ 67,500
Deferred compensation	1,481
Allowance - vehicle and cell phone	<u>11,400</u>
Total	<u>\$ 80,381</u>

(19) Pension Plan/GASB 68

The City of Breaux Bridge participates in the Municipal Police Employees' Retirement System, a cost-sharing multiple-employer defined benefit pension plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Police Employees' Retirement System (System) and additions to/deductions from the System's fiduciary net

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Summary of significant accounting policies:

The Municipal Police Employees' Retirement System prepares its employer schedules in accordance with Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense, and amortization periods for deferred inflows and deferred outflows.

Basis of accounting:

The System's employer schedules were prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed.

System employees:

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Pension Amount Netting:

The deferred outflows and deferred inflows of resources resulting from differences between projected and actual earnings on pension plan investments that were recorded in different years were netted to report only a deferred outflow or a deferred inflow on the schedule of pension amounts. The remaining categories of deferred outflows and deferred inflows were not presented on a net basis.

Plan fiduciary net position:

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Plan description:

The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefits provided:

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership prior to January 1, 2013:

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

Benefit rates are 3 1/3% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

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 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

Membership commencing January 1, 2013:

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 3% and 2 ½%, 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 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of the member's average final compensation or \$200 per month, whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Cost-of-living adjustments:

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred retirement option plan:

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

Initial benefit option plan:

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Employer contributions:

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the year ended June 30, 2020, total contributions due for employers and employees were as follows:

	Contribution Rates		
	Employee	Employer	Total
Members hired prior to 1/1/2013	10.00%	32.50%	42.50%
Hazardous duty members hired after 1/1/2013	10.00%	32.50%	42.50%
Non Hazardous duty members hired after 1/1/2013	8.00%	32.50%	40.50%
Members whose earnable compensation is less than the poverty guidelines	7.50%	34.25%	41.75%

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Non-employer contributions:

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2020 and excluded from pension expense. The City recognized \$39,297 of nonemployer contribution revenue.

Schedule of employer allocations:

The schedule of employer allocations reports the historical employer contributions in addition to the employer allocation percentages for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Municipal Police Employees' Retirement System. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the System during the year ended June 30, 2020 as compared to the total of all employers' contributions to the System for during the year ended June 30, 2020.

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

At June 30, 2021, the City reported a liability of \$1,666,235 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability 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, 2020, the City's proportion was 0.180283%, which was an increase of 0.003928% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$406,452 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$306.

CITY OF BREAUX BRIDGE, LOUISIANA  
Notes to Basic Financial Statements (Continued)

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 65,632
Changes of assumptions	39,594	41,120
Net difference between projected and actual earnings on pension plan investments	199,898	-
Change in proportion and differences between employer contributions and proportionate share of contributions	138,333	24,263
Employer contributions subsequent to the measurement date	188,660	-
Total	\$ 566,485	\$ 131,015

Deferred outflows of resources of \$188,660 related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ended	
6/30/2022	\$ 115,920
6/30/2023	47,371
6/30/2024	45,559
6/30/2025	37,960

Contributions – proportionate share:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through a pension plan. The remaining deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Actuarial methods and assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The actuarial assumptions used in the June 30, 2020 valuation were based on the assumptions used in the June 30, 2020 actuarial funding valuation and were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

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

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Valuation Date	June 30, 2020							
Actuarial Cost Method	Entry Age Normal Cost							
Investment Rate of Return	6.950%, net of investment expense							
Expected Remaining Service lives	2020 - 4 years 2019 - 4 years 2018 - 4 years 2017 - 4 years							
Inflation Rate	2.50%							
Salary increases, including inflation and merit	<table border="0"> <tr> <td style="text-align: center;"><u>Years of Service</u></td> <td style="text-align: center;"><u>Salary Growth Rate</u></td> </tr> <tr> <td style="text-align: center;">1-2</td> <td style="text-align: center;">12.30%</td> </tr> <tr> <td style="text-align: center;">Above 2</td> <td style="text-align: center;">4.70%</td> </tr> </table>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1-2	12.30%	Above 2	4.70%	
<u>Years of Service</u>	<u>Salary Growth Rate</u>							
1-2	12.30%							
Above 2	4.70%							
Mortality	<p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using MP2019 scale was used.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p>							
Cost of Living Adjustments	<p>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.</p>							

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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, 2014 through June 30, 2019 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.

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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Equity	48.50%	3.08%
Fixed Income	33.50%	0.54%
Alternative	18.00%	1.02%
Other	0.00%	0.00%
Totals	<u>100.00%</u>	<u>4.64%</u>
Inflation		<u>2.55%</u>
Expected Nominal Return		<u>7.19%</u>

Discount rate:

The discount rate used to measure the total pension liability was 6.950%. 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 for 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 employer's proportionate share of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.950%, 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 (5.950%) or one percentage point higher (7.950%) than the current rate as of June 30, 2020.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

	Changes in Discount Rate		
	1%	Current	1%
	Decrease	Discount Rate	Decrease
	5.950%	6.950%	7.950%
Employer's Proportionate share of Net Pension Liability	\$ 2,340,883	\$ 1,666,235	\$ 1,102,258
<u>Change in net pension liability:</u>			

The changes in the net pension liability for the year ended June 30, 2020 were recognized in the current reporting period as pension expense except as follows:

- a. Differences between expected and actual experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in deferred inflow of resources in the amount of \$65,632 for the year ended June 30, 2021.
- b. Changes of assumptions or other inputs: Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs resulted in deferred outflow of resources in the amount of \$39,594 and a deferred inflow of resources in the amount of \$41,120 for the year ended June 30, 2021.
- c. Differences between projected and actual investment earnings: Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in deferred outflow of resources in the amount of \$199,898 for the year ended June 30, 2021.
- d. Change in proportion: Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of resources in the amount of \$138,333 and a deferred inflow of resources in the amount of \$24,263 for the year ended June 30, 2021.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Retirement system audit report:

The Municipal Police Employees' Retirement System issued a stand-alone audit report on its financial statements for the year ended June 30, 2020. Access to the audit report can be found on the System's website: [www.lampers.org](http://www.lampers.org) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

Estimates:

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts.

(20) Tax Abatement

The City of Breaux Bridge entered into a sales tax abatement agreement with the St. Martin Parish Government. The agreement is set to expire September 30, 2022. The abatement relates to a 1% sales tax on citizens of the City that reside in a previously unincorporated area. These citizens are currently subject to a Parish Government 1% sales tax. In order to prevent double taxation, these citizens are not subject to the City's 1% sales tax until the Parish Government's 1% sales tax expires. The Parish Government has agreed to provide road maintenance in this area during the period covered by the sales tax abatement agreement. The City's portion of sales taxes abated for the year ended June 30, 2021 was \$132,236.

(21) Restatement of Net Position

In January of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City has adopted this standard in the year ended June 30, 2021.

As a result of the implementation, net position was restated as follows:

Net position at June 30, 2020	\$ -
Restatement due to implementation of GASB 84	449
Net position at June 30, 2020 restated	\$ 449

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(22) Risks and Uncertainties

The COVID-19 outbreak in the United States has caused business disruption through mandated closings, reduction of operating hours, or operational restrictions for nonessential businesses, including retail stores, restaurants, personal service businesses and all entertainment venues. While the disruption is expected to be temporary, there is still uncertainty around the duration of and the implications of the closings. The City of Breaux Bridge expects this matter to negatively impact availability of resources and operating results. The financial impact cannot be reasonably estimated at this time.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

CITY OF BREAUX BRIDGE  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Taxes	\$ 805,000	\$ 756,198	\$ 752,031	\$ (4,167)
Licenses and permits	388,000	422,398	483,490	61,092
Intergovernmental	593,320	583,924	635,512	51,588
Charges for services	708,000	706,693	720,488	13,795
Fines - City Court	87,500	76,002	85,229	9,227
Miscellaneous	<u>102,800</u>	<u>151,756</u>	<u>364,494</u>	<u>212,738</u>
Total revenues	<u>2,684,620</u>	<u>2,696,971</u>	<u>3,041,244</u>	<u>344,273</u>
<b>Expenditures:</b>				
General government	1,583,050	1,516,957	1,517,418	(461)
Streets and bridges	1,358,650	1,544,443	1,365,987	178,456
Sanitation	708,000	706,693	720,459	(13,766)
Public safety - Police	2,702,003	2,655,010	2,643,426	11,584
Culture and recreation	240,650	248,245	191,455	56,790
Capital outlay	<u>345,000</u>	<u>529,217</u>	<u>517,176</u>	<u>12,041</u>
Total expenditures	<u>6,937,353</u>	<u>7,200,565</u>	<u>6,955,921</u>	<u>244,644</u>
Deficiency of revenues over expenditures	<u>(4,252,733)</u>	<u>(4,503,594)</u>	<u>(3,914,677)</u>	<u>588,917</u>
<b>Other financing sources: (uses):</b>				
Transfer from Sales Tax Fund	4,250,000	4,250,000	4,250,000	-
Transfer to Series 2010 Debt Service Fund	<u>(22,938)</u>	<u>(22,938)</u>	<u>(22,937)</u>	<u>1</u>
Total other financing sources	<u>4,227,062</u>	<u>4,227,062</u>	<u>4,227,063</u>	<u>1</u>
Net change in fund balances	(25,671)	(276,532)	312,386	588,918
Fund balance, beginning	<u>289,469</u>	<u>728,586</u>	<u>728,586</u>	<u>-</u>
Fund balance, ending	<u>\$ 263,798</u>	<u>\$ 452,054</u>	<u>\$ 1,040,972</u>	<u>\$ 588,918</u>

CITY OF BREAUX BRIDGE  
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 5,100,000	\$ 5,346,271	\$5,463,078	\$ 116,807
Total revenues	<u>5,100,000</u>	<u>5,346,271</u>	<u>5,463,078</u>	<u>116,807</u>
<b>Expenditures:</b>				
General government:				
Collection fees	78,000	79,124	80,207	(1,083)
Computer expense	2,000	518	419	99
Miscellaneous	500	60	61	(1)
Legal and professional fees	7,000	5,802	5,756	46
Total expenditures	<u>87,500</u>	<u>85,504</u>	<u>86,443</u>	<u>(939)</u>
Excess of revenues over expenditures	<u>5,012,500</u>	<u>5,260,767</u>	<u>5,376,635</u>	<u>115,868</u>
<b>Other financing sources (uses):</b>				
Transfer to General Fund	(4,000,000)	(4,000,000)	(4,000,000)	-
Transfer to Utility Fund	(35,000)	-	-	-
Transfer to Capital Projects	(400,000)	(315,000)	(315,000)	-
Transfer to 2008 Debt Service	(271,450)	(271,484)	(271,883)	(399)
Total other financing uses	<u>(4,706,450)</u>	<u>(4,586,484)</u>	<u>(4,586,883)</u>	<u>(399)</u>
Net change in fund balances	306,050	674,283	789,752	115,469
Fund balance, beginning	<u>923,702</u>	<u>1,466,761</u>	<u>1,466,761</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,229,752</u>	<u>\$ 2,141,044</u>	<u>\$2,256,513</u>	<u>\$ 115,469</u>

CITY OF BREAUX BRIDGE  
District Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 923,500	\$ 987,194	\$ 1,000,374	\$ 13,180
Total revenues	923,500	987,194	1,000,374	13,180
Expenditures:				
General government:				
Collection fees	14,000	14,500	14,573	(73)
Total expenditures	14,000	14,500	14,573	(73)
Excess of revenues over expenditures	909,500	972,694	985,801	13,107
Other financing sources (uses):				
Transfer to General Fund	(250,000)	(250,000)	(250,000)	-
Transfer to Utility Fund	(175,000)	(175,000)	(175,000)	-
Transfer to Capital Projects	(612,000)	(242,000)	(242,000)	-
Transfer to 2015 Debt Service	(308,447)	(308,447)	(308,446)	1
Total other financing uses	(1,345,447)	(975,447)	(975,446)	1
Net change in fund balances	(435,947)	(2,753)	10,355	13,108
Fund balance, beginning	981,459	1,195,097	1,195,097	-
Fund balance, ending	\$ 545,512	\$ 1,192,344	\$ 1,205,452	\$ 13,108

CITY OF BREAUX BRIDGE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2021

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.129888%	\$ 812,590	\$ 395,899	205.2%	75.1%
2016	0.119310%	\$ 934,669	\$ 319,145	292.9%	70.7%
2017	0.108666%	\$ 1,018,507	\$ 304,397	334.6%	66.0%
2018	0.124080%	\$ 1,083,271	\$ 370,420	292.4%	70.1%
2019	0.182505%	\$ 1,542,908	\$ 538,594	286.5%	71.9%
2020	0.176355%	\$ 1,601,599	\$ 550,738	290.8%	71.0%
2021	0.180283%	\$ 1,666,235	\$ 556,843	299.2%	70.9%

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

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

CITY OF BREAUX BRIDGE, LOUISIANA

Schedule of Employer Contributions  
For the Year Ended June 30, 2021

<u>Year ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	\$ 100,531	\$ 100,531	\$ -	\$ 319,145	31.50%
2016	\$ 89,823	\$ 89,823	\$ -	\$ 304,397	29.50%
2017	\$ 117,620	\$ 117,620	\$ -	\$ 370,420	31.75%
2018	\$ 164,513	\$ 164,513	\$ -	\$ 538,594	30.54%
2019	\$ 180,071	\$ 180,071	\$ -	\$ 550,738	32.70%
2020	\$ 181,686	\$ 181,686	\$ -	\$ 556,843	32.63%
2021	\$ 188,660	\$ 188,660	\$ -	\$ 562,449	33.54%

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

CITY OF BREAUx BRIDGE, LOUISIANA

Notes to the Required Supplementary Information  
For the Year Ended June 30, 2021

(1) Budgets and Budgetary Accounting

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

1. The Mayor submits, no later than 15 days prior to the beginning of each fiscal year, to the Board of Aldermen a proposed operating budget.
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 ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Mayor.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.
8. For the year ended June 30, 2021, the following funds had actual expenditures over appropriations:

<u>Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
Sales Tax Special Revenue Fund	\$ 85,504	\$ 86,443	\$ (939)
District Sales Tax Special Revenue Fund	\$ 14,500	\$ 14,573	\$ (73)

(2) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

**OTHER SUPPLEMENTARY INFORMATION**

CITY OF BREAUX BRIDGE, LOUISIANA  
Enterprise Fund  
Utility Fund

Statement of Revenues, Expenses and Changes in Retained Earnings  
Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Charges for services -			
Utility sales	\$ 2,518,640	\$ 2,463,733	\$ (54,907)
Installation and reconnection charges	38,685	48,568	9,883
Miscellaneous	151,502	162,013	10,511
Total operating revenues	2,708,827	2,674,314	(34,513)
 Operating expenses:			
Direct expenses	2,132,116	2,053,454	78,662
Allocated expenses	1,051,594	625,673	425,921
Total operating expenses	3,183,710	2,679,127	504,583
 Operating income (loss)	(474,883)	(4,813)	470,070
 Nonoperating revenues (expenses):			
Interest on investments	349	352	3
Interest expense	(26,630)	(26,805)	(175)
Administrative expenses on bonds	(29,590)	(29,783)	(193)
Miscellaneous	11,020	74,853	63,833
Total nonoperating revenue (expense)	(44,851)	18,617	63,468
 Income (loss) before transfers	(519,734)	13,804	533,538
 Operating transfers in	190,000	190,000	-
Total operating transfers	190,000	190,000	-
 Net income (loss)	(329,734)	203,804	533,538
 Retained earnings, beginning of year	9,289,257	9,289,257	-
Retained earnings, end of year	\$ 8,959,523	\$ 9,493,061	\$ 533,538

<u>Water System</u>	<u>Sewerage System</u>
\$ 1,467,617	\$ 996,116
28,931	19,637
96,509	65,504
<u>1,593,057</u>	<u>1,081,257</u>
1,338,482	714,972
503,705	121,968
<u>1,842,187</u>	<u>836,940</u>
<u>\$ (249,130)</u>	<u>\$ 244,317</u>

CITY OF BREAUX BRIDGE, LOUISIANA

Justice Reporting Schedule - Collecting/Disbursing Entity  
 As Required by Act 87 of the 2020 Regular Legislative Session  
 Cash Basis Presentation  
 June 30, 2021

	First Six Month Period Ended 12/31/20	Second Six Month Period Ended 06/30/21
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>		
<b>Add: Collections</b>		
Bond Fees	-	-
Asset Forfeiture/Sale	-	103,400
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
<b>Subtotal Collections</b>	-	<b>103,400</b>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b> (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
16th Judicial District Attorney - Asset Forfeiture/Sale	-	103,400
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (Additional rows may be added as necessary)	-	-
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
<b>Subtotal Disbursements/Retainage</b>	-	<b>103,400</b>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>		
<b>Ending Balance of "Partial Payments" Collected but not Disbursed</b> (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.		
<b>Other Information:</b>		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-

CITY OF BREAUX BRIDGE, LOUISIANA

Justice Reporting Schedule - Receiving Entity  
 As Required by Act 87 of the 2020 Regular Legislative Session  
 Cash Basis Presentation  
 June 30, 2021

**First Six      Second Six**  
**Month Period   Month Period**  
**Ended 12/31/20   Ended 06/30/21**

**Receipts From:** *(Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)*

<i>Breaux Bridge City Court - Criminal Fines - Other</i>	\$37,153.38	\$39,617.85
<i>Breaux Bridge City Court - Criminal Court Costs/Fees</i>	\$753.37	\$760.92
<b>Subtotal Receipts</b>	<b>\$37,906.75</b>	<b>\$40,378.77</b>

**Ending Balance of Amounts Assessed but Not Received** *(only applies to those agencies that assess on behalf of themselves, such as courts)*

-	-
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Collection Types to be used in the "Receipts From:" section above
Civil Fees
Bond Fees
Asset Forfeiture/Sale
Pre-Trial Diversion Program Fees
Criminal Court Costs/Fees
Criminal Fines - Contempt
Criminal Fines - Other
Restitution
Probation/Parole/Supervision Fees
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)
Interest Earnings on Collected Balances
Other <i>(do not include collections that fit into more specific categories above)</i>

**COMPLIANCE  
INTERNAL CONTROL  
AND  
OTHER INFORMATION**

# Champagne & Company, LLC

## Certified Public Accountants

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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*

The Honorable Ricky Calais, Mayor  
and Members of the Board of Aldermen  
City of Breaux Bridge, 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 primary government financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Breaux Bridge, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Breaux Bridge, Louisiana's basic primary government financial statements and have issued our report thereon dated October 29, 2021. The report on the City was adverse because the financial statements do not include financial data of the component units of the City. The financial statements of the omitted component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these omitted component units.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Breaux Bridge, Louisiana's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Breaux Bridge, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Breaux Bridge, Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control

that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of prior and current year audit findings and management's corrective action plan as items 2021-001 and 2021-002 that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Breaux Bridge, Louisiana's financial statements are free from 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 financial statements. 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 of Breaux Bridge, Louisiana's Response to Findings**

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

### **Purpose of this Report**

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

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
October 29, 2021

CITY OF BREAUX BRIDGE, LOUISIANA

Schedule of Prior and Current Year Audit Findings and  
Management's Corrective Action Plan  
Year Ended June 30, 2021

I. Prior Year Findings:

Internal Control Over Financial Reporting

2020-001 – Inadequate Segregation of Accounting Functions

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

Status: Unresolved. See item 2021-001.

2020-002 – Inadequate Controls Over Financial Statement Preparation

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

Status: Unresolved. See item 2021-002.

Compliance

There were no findings reported at June 30, 2020.

Management Letter Items

There were no items reported at June 30, 2020.

II. Current Year Findings and Management's Corrective Action Plan:

Internal Control Over Financial Reporting

2021-001 – Inadequate Segregation of Accounting Functions; Year Initially Occurred--Unknown

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

Effect: This condition represents a material weakness in the internal control of the City.

Cause: The condition resulted because of the small number of employees in the accounting department.

Recommendation: No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA

Schedule of Prior and Current Year Audit Findings and  
Management's Corrective Action Plan (continued)  
Year Ended June 30, 2021

Management's Corrective Action Plan: Mr. Ricky Calais, Mayor, determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

2021-002 – Inadequate Controls Over Financial Statement Preparation; Year Initially Occurred—  
June 30, 2016

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

Effect: This condition represents a material weakness in the internal control of the City.

Cause: The condition resulted because City personnel do not have the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing the financial statements.

Recommendation: The City should consider outsourcing this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

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

Compliance

There are no findings reported at June 30, 2021.

Management Letter Items

There are no items reported at June 30, 2021.