

**City of Minden
Minden, Louisiana**

**Annual Financial Report
As of and for the Year Ended September 30, 2021**

City of Minden
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(Concluded)



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA

Aimee Buchanan, CPA

Principal: Cindy Thomason, CPA

Audit Managers: Amy Tynes, CPA, CFE

Margie Williamson, CPA

Jennie Henry, CPA, CFE

Audit Supervisor: Mallory Stone, CPA

In-Charge: Crystal Patterson, CPA

Ernest L. Allen, CPA

(Retired) 1963 - 2000

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and the City Council
City of Minden, 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 Minden, Louisiana as of and for the year ended September 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Minden, Pension (and Employee Benefit Trust) which represents 43% of the net position of the fiduciary funds. Those financial statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Minden, Pension (and Employee Benefit Trust) is based solely on the reports of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the 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 reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses of the government-wide financial statements has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" 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 Minden, Louisiana as of September 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 Minden, as of September 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.

Emphasis of Matters

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

As disclosed in Note 10 to the financial statements, the net pension liability for the City was \$8,559,448 at September 30, 2021, as determined by the Municipal Employee's Retirement System (MERS), Municipal Police Employee's Retirement System (MPERS) and Firefighters' Retirement System (FERS). The related actuarial valuations were performed by MERS's, MPER's and FRS's actuaries using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at September 30, 2021, could be under or overstated. Our opinion is not modified with respect to this matter.

As discussed in Notes 11 to the financial statements, the net other post-employment benefits (OPEB) liability for the City was \$8,523,868, related to its participation in a single-employer other post-employment benefit plan. The related actuarial valuations were performed by the City's actuary using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at September 30, 2021, could be under or overstated. 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 Management's Discussion and Analysis, Schedule of Employer's Proportionate Share of the Net Pension Liability, the Schedule of Employer Contributions to Pension Plans, Schedule of Changes in the Total OPEB Liability and Related Ratios, Condition Rating of the City's Street System, and Budgetary Comparison Schedules and notes to required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Minden's basic financial statements. The accompanying supplementary information, as listed in the table of contents and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is the responsibility of management and was derived from and relates 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 accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, listed in the table of contents, 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 March 31, 2022, on our consideration of the City of Minden'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'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's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Allen, Green & Williamson, LLP".

ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
March 31, 2022

REQUIRED SUPPLEMENTARY INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

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City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2021

Our discussion and analysis of the City of Minden, Louisiana's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the City's financial statements, which begin on page 22.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by over \$38.7 million.
- During the year, the revenue of the City's governmental activities exceeded expenses by \$.24 million dollars before transfers. Last year, expenses exceeded revenues by \$3.4 million.
- The City's total revenues were \$5.5 million more than prior year. The increase occurred in both the governmental and the business-type activities.
- The total cost of all of the City's programs was approximately \$35.8 million.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 23-25) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 28. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 13. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in them. You can think of the City's net position—the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources—as one way to measure the City's financial health, or *financial position*.

Over time, *increases or decreases* in the City's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2021

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including the police, fire, public works, parks and recreation, sanitation and health, highway and streets, economic development, and general administration. Property taxes, sales taxes, franchise fees, and state and federal grants finance most of these activities.
- **Business-type activities** – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sewer, and electrical systems are reported here.

Reporting the City's Most Significant Funds

The City's financial statements of the major funds begins on page 28. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes other funds to help it control and manage money for particular purposes (like street improvements) or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like sales taxes restricted for specific use). The City's two kinds of funds –*governmental* and *proprietary* use different accounting approaches.

- *Governmental funds* – Most of the City's basic services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end that are nonspendable, restricted, committed, assigned or unassigned. These classifications of fund balance show the nature and extent of constraints placed on the City's fund balances by law, creditors, City council, and the City's annually adopted budget. Unassigned fund balance is available for spending for any purpose. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation following the fund financial statements.
- *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2021

The City as Trustee

The City is the trustee, or fiduciary, for the Police Bond fund and the Pension Benefit Trust fund. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 36. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

THE CITY AS A WHOLE

The City's *combined* net position increased by \$1.6 million. In contrast, last year's net position decreased by \$1.1 million. Looking at net position and net expenses of governmental and business-type activities separately, however, provides more detail. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

(Table 1)
Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020 Restated *	2021	2020 Restated *	2021	2020 Restated *
Assets						
Current and other assets	\$ 12,011,662	\$ 11,419,984	\$ 12,454,987	\$ 13,463,375	\$ 24,466,649	\$ 24,883,359
Capital assets	24,737,733	23,730,816	16,850,479	18,016,161	41,588,212	41,746,977
Total assets	36,749,395	35,150,800	29,305,466	31,479,536	66,054,861	66,630,336
Total deferred outflows of	2,425,296	3,541,148	256,366	713,412	2,681,662	4,254,560
Liabilities						
Current and other liabilities	756,319	1,416,167	2,642,359	2,284,097	3,398,678	3,700,264
Long-term liabilities	15,433,698	19,329,683	3,841,980	5,857,831	19,275,678	25,187,514
Total liabilities	16,190,017	20,745,850	6,484,339	8,141,928	22,674,356	28,887,778
Total deferred inflows of	6,576,074	4,849,252	767,970	31,602	7,344,044	4,880,854
Net Position						
Net investment in capital assets	24,242,354	22,960,641	15,794,057	16,777,095	40,036,411	39,737,736
Restricted	5,660,551	4,634,342	-	-	5,660,551	4,634,342
Unrestricted	(13,494,305)	(14,498,137)	6,515,466	7,242,323	(6,978,839)	(7,255,814)
Total net position	\$ 16,408,600	\$ 13,096,846	\$ 22,309,523	\$ 24,019,418	\$ 38,718,123	\$ 37,116,264

* Balances were restated due to moving other post employment benefits (OPEB) liability and deferrals from business-type activities to governmental activities because retiree insurance payments are only paid from governmental activities. As a result, \$387,203 in deferred outflows, \$2,307,996 in OPEB liability, \$1,107,334 in deferred inflows, and \$(3,028,107) in net position were transferred from business-type activities to governmental activities.

City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2021

The largest portion of the City of Minden's net position totaling approximately \$40.0 million reflects its investment in capital assets (e.g. land, buildings, streets, drainage, machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The City of Minden uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Minden's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities – Net Position

Revenues generated by taxes and program revenues exceeded the expenses of the governmental activities by \$0.24 million. The governmental activities were funded with transfers of \$3.1 million from the City's business type activities. As a result, the net position of governmental activities increased by \$3.3 million.

The restricted net position of the governmental activities represents the portion of net position that is not available to finance the day-to-day operations. The use of restricted assets is subject to constraints established by a voter-approved city ordinance. Restricted net position increased by \$1.0 million to a total of \$5.7 million, a majority of which is available to finance specific funding for sewer and recreational activities.

Business-type Activities – Net Position

There was a \$1.7 million decrease in the total net position of the business-type activities. Before transferring \$3.1 million (net) to the governmental activities, the business type activities reported a \$1.4 million surplus.

Our analysis that follows separately considers the operations of governmental and business-type activities.

Governmental activities

The total revenues for governmental activities increased by \$2.5 million when compared to prior year revenues, with most categories of revenues increased during the year, specifically sales tax and grant funding.

Overall governmental expenses were \$1.1 million less than last year's expenses, Highway and streets reported a decrease of \$ 0.14 million in expenses, while Culture / Recreation and Police / Fire reported decreases also of approximately \$0.09 million and \$ 0.71 million respectively.

Business-type activities

This year, revenues exceeded expenses for business-type activities by \$1.4 million before transfers. Last year, the surplus was \$2.3 million before transfers.

When compared to last year's revenues, the total business-type revenues were \$3 million more. A major portion of the increase is related to charges in utilities.

In addition, the charges to customers for utility services increased by \$2.9 million. Decreases in the charges for electrical services were \$1.49 million of total \$1.62 million.

The Utility fund transferred approximately \$4.2 million to the City's General fund. The Utility fund received \$1.1 million from the Sales Tax - Sewerage fund to help cover sewer program expenses.

City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2021

The total cost of the business type activities programs was approximately \$22.7 million, with 78% of the cost occurring within the electric department. The overall cost of these programs increased by approximately \$4.0 million. The largest changes in expenses occurred within the electrical department, with the cost of power increasing by \$4.4 million.

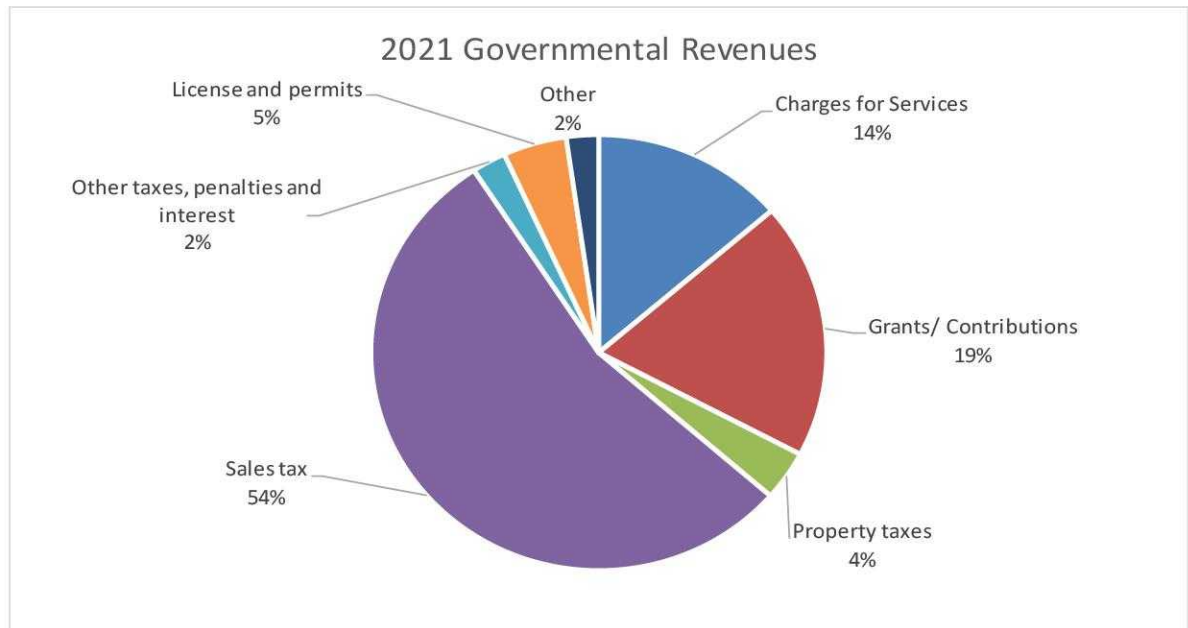
(Table 2)
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020 Restated*	2021	2020 Restated*	2021	2020 Restated*
Revenues:						
Program revenues						
Charges for services	\$ 1,828,423	\$ 1,556,324	\$ 23,275,960	\$ 20,405,219	\$ 25,104,383	\$ 21,961,543
Operating grants and contributions	608,369	460,153	-	-	608,369	460,153
Capital grants and contributions	1,930,110	487,794	-	42,977	1,930,110	530,771
General revenues						
Property taxes	495,662	476,363	-	-	495,662	476,363
Sales tax	7,250,551	6,442,948	-	-	7,250,551	6,442,948
Other taxes, penalties and interest	324,399	281,468	-	-	324,399	281,468
License and permits	600,678	555,172	-	-	600,678	555,172
Grants and contributions not restricted to a program	300	-	-	-	300	-
Earnings on investments	75,782	-	40,510	-	116,292	-
Miscellaneous	232,107	574,314	723,862	554,396	955,969	1,128,710
Total Revenues	13,346,381	10,834,536	24,040,332	21,002,592	37,386,713	31,837,128
Functions/Program Expenses:						
Governmental activities						
General and administrative	2,854,460	3,005,284	-	-	2,854,460	3,005,284
Police department	3,086,623	5,323,166	-	-	3,086,623	5,323,166
Fire department	1,525,145	-	-	-	1,525,145	-
Street department	1,809,391	1,944,889	-	-	1,809,391	1,944,889
Health and welfare	941,077	942,850	-	-	941,077	942,850
Culture and recreation	2,066,076	2,164,590	-	-	2,066,076	2,164,590
Public Works	801,472	813,418	-	-	801,472	813,418
Transportation	-	-	-	-	-	-
Interest expense	21,869	48,868	-	-	21,869	48,868
Business-type activities						
Water enterprise	-	-	2,242,967	2,228,705	2,242,967	2,228,705
Sewer enterprise	-	-	1,537,147	1,717,665	1,537,147	1,717,665
Electric	-	-	17,781,491	13,358,625	17,781,491	13,358,625
Other	-	-	1,117,136	1,395,934	1,117,136	1,395,934
Total Functions/Program Expenses	13,106,113	14,243,065	22,678,741	18,700,929	35,784,854	32,943,994
Increase (decrease) in net position before transfers	240,268	(3,408,529)	1,361,591	2,301,663	1,601,859	(1,106,866)
Transfers	3,071,486	4,161,299	(3,071,486)	(4,161,299)	-	-
Increase (decrease) in net position	3,311,754	752,770	(1,709,895)	(1,859,636)	1,601,859	(1,106,866)
Net position - beginning, as restated	13,096,846	12,344,076	24,019,418	25,879,054	37,116,264	38,223,130
Net position - ending	\$ 16,408,600	\$ 13,096,846	\$ 22,309,523	\$ 24,019,418	\$ 38,718,123	\$ 37,116,264

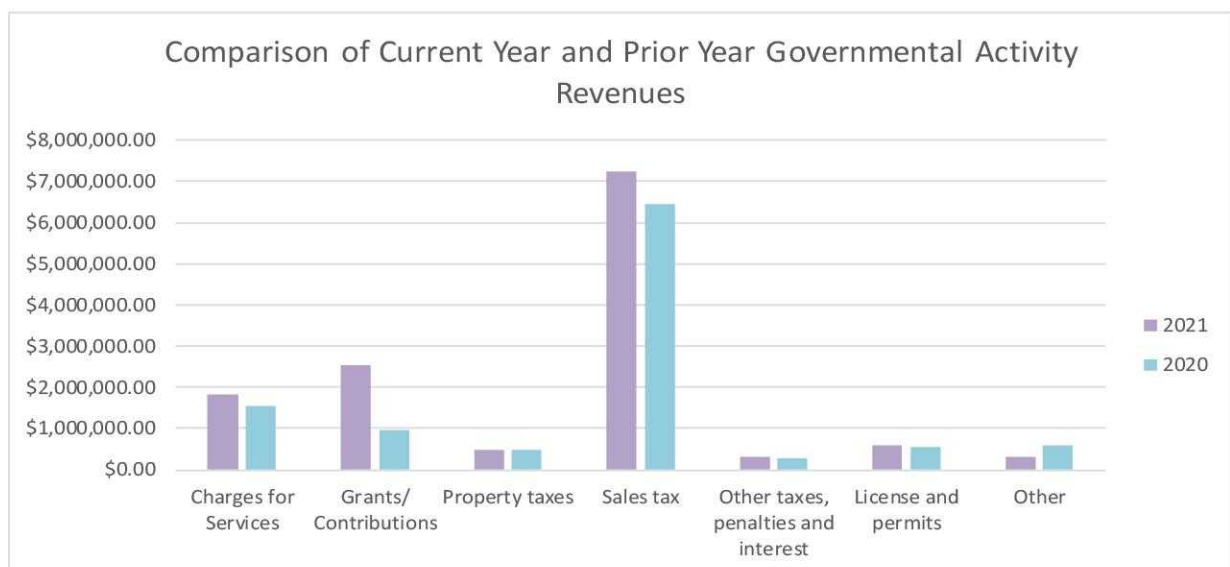
City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2021

* Balances were restated due to moving OPEB liability and deferrals from business-type to governmental activities, which decreased governmental activities' general and administrative expenses, increased business-type activities other expenses by \$1,595, and decreased beginning governmental net position and increased business-type net position by \$3,029,702.

The following chart displays the various types of governmental revenues and their respective percentage of total governmental revenues received as of September 30, 2021:

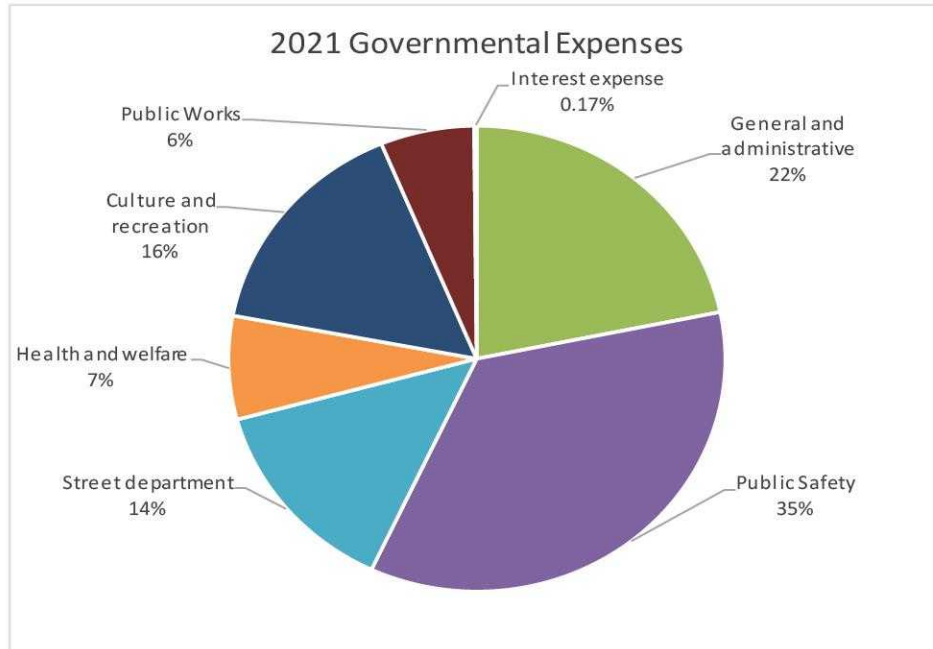


The chart below compares governmental revenues of the current year to the prior year.

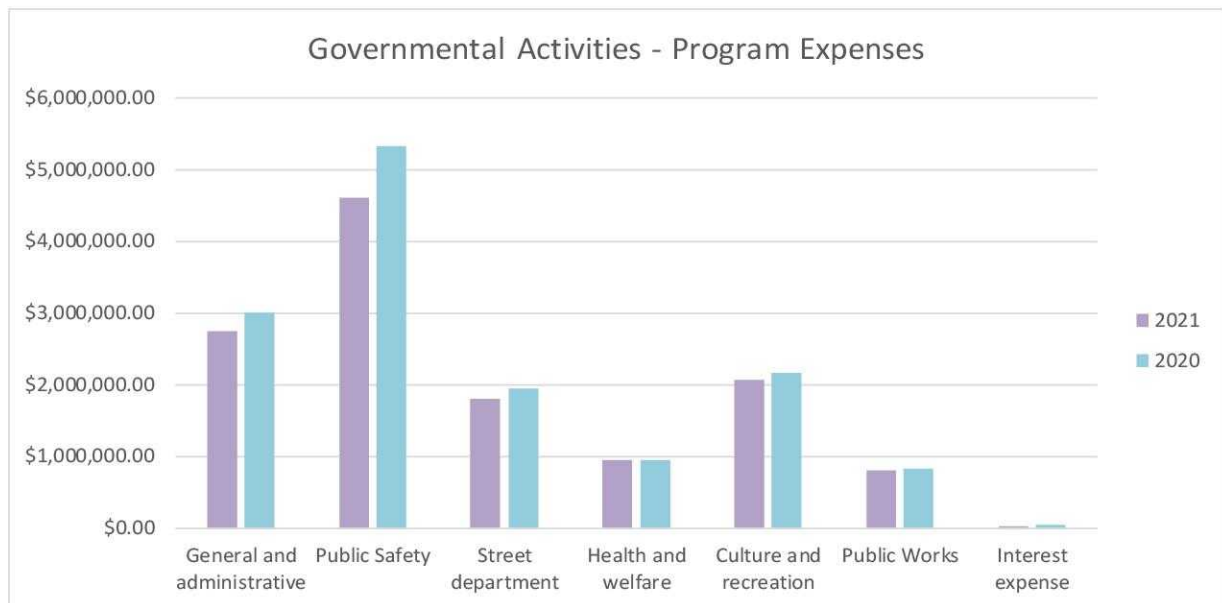


City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2021

The following chart displays the various types of governmental activity expenses and their respective percentage of total governmental expense received as of September 30, 2021:



The City's largest program expenses during the current year were public safety and general government, which are 35% and 22% of the total governmental type program expense in the current year, respectively. The chart below compares program expenses of the current year to the prior year.



City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2021

THE CITY'S FUNDS

Governmental funds – The focus of the City of Minden's governmental funds is to provide information on near-term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the City of Minden's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds (as presented in the balance sheet on page 28) reported a combined fund balance of \$11.2 million, increasing by \$1.4 million.

As previously mentioned, City revenues increased \$2.8 million from the prior year. Sales Tax increased \$0.8 million and intergovernmental revenues increased \$1.6 million with grant from Airport Improvement Program.

City expenditures increased from \$13.7 million to \$15.4 million. This year part of the increase in expenditures was due to capital outlay with airport runway improvements.

The overall governmental funds reported a deficiency of revenues over expenditures of \$2.0 million, which was funded by transfers from the Utility proprietary fund.

The General fund expenditures exceeded its revenues by \$8.9 million. This deficit was funded primarily by transfers of \$4.2 million from the Utility fund, \$2.4 million from the surplus in the Sales Tax fund, and \$1.5 million from the Sales Tax Sewerage fund.

The Sales Tax fund revenues exceeded its expenditures by \$3.5 million. This excess was a result of increased sales tax for the current year.

The Sewerage Sales Tax fund revenues exceeded its expenditures by \$3.5 million. This excess was partially a result of increased sales tax for the current year.

Proprietary funds – The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Sewer Plant Sales Tax fund transferred in approximately \$1 million to the Utility fund. Those resources are restricted to assist funding the costs of sewerage activities.

The Utility fund transferred approximately \$4.2 million to the general fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the City Council amended the budget one time. The amendment was made to decrease the overall revenue and also decrease expenditures in different departments. Actual expenditures were \$0.5 million more than budgeted at year end.

City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of September 30, 2021, the City had \$41.6 million invested in capital assets including police and fire equipment, buildings, park facilities, water, sewer and electrics lines. This amount represents a decrease of approximately \$0.2 million in investments in capital assets.

City of Minden's Capital Assets at Year-end

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,942,729	\$ 1,942,729	\$ 322,342	\$ 322,342	\$ 2,265,071	\$ 2,265,071
Construction in progress	110,556	538,021	5,464	129,740	116,020	667,761
Infrastructure	7,661,127	5,337,362	-	-	7,661,127	5,337,362
Buildings	17,704,503	17,704,503	17,281,667	17,281,667	34,986,170	34,986,170
Land improvements other than	10,838,022	10,838,022	35,810,509	35,562,289	46,648,531	46,400,311
Equipment	8,790,761	8,390,061	9,465,239	9,385,439	18,256,000	17,775,500
Total capital assets	47,047,698	44,750,698	62,885,221	62,681,477	109,932,919	107,432,175
Accumulated depreciation	(22,309,965)	(21,019,882)	(46,034,742)	(44,665,316)	(68,344,707)	(65,685,198)
Net capital assets	\$24,737,733	\$ 23,730,816	\$16,850,479	\$ 18,016,161	\$ 41,588,212	\$ 41,746,977

Major construction projects undertaken by the City include the following:

- Airport Obstruction Removal – Runway
- Airport Rehab Runway
- Airport Lighting
- Water Main Improvements
- Water Storage Tank Fill Station

Only bridges owned by the City are capitalized as infrastructure. The City has elected to report its system of streets under the modified approach. Neither their historical cost nor related depreciation has been reported in the financial statements. There were no significant changes in the assessed condition of infrastructure assets eligible under the modified approach. The current assessed condition of roads is comparative with the condition level the City has established.

Debt

At year-end, the City had no debt as compared to \$350,000 last year. The City made the final payment of the Sales Tax Refunding, Series 2010 bonds in fiscal year 2021.

More detailed information about the City's long-term liabilities is presented in Note 12 to the financial statements.

City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2021

COMPONENT UNITS

The City has chosen not to include the following component units in the basic financial statements: City Court of Minden and Minden City Marshal. Separate financial statements for each of these component units can be obtained by contacting each component unit.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Budget figures for the new fiscal year are based on efforts to stimulate the economy through the increase of economic development activities. In reference to sales tax collections, a conservative budget proposal was applied. The City will maintain the high service levels for fiscal year 2021/2022 without any major rate and service fee increases in the near future. Personnel expenditures continue to rise.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City Clerk's office at 520 Broadway, Minden, Louisiana.

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

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CITY OF MINDEN

STATEMENT OF NET POSITION
September 30, 2021

			Statement A
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL
	ACTIVITIES	ACTIVITIES	PRIMARY
			GOVERNMENT
ASSETS			
Cash and cash equivalents	\$ 6,730,806	\$ 2,037,159	\$ 8,767,965
Investments	3,180,980	5,105,743	8,286,723
Restricted assets:			
Cash and cash equivalents	-	749,233	749,233
Investments	-	4,167	4,167
Receivables, net	1,106,832	3,693,022	4,799,854
Internal balances	931,166	(931,166)	-
Inventory	25,422	1,724,196	1,749,618
Prepaid items	36,456	72,633	109,089
Capital assets:			
Land and construction in progress	2,053,285	327,806	2,381,091
Depreciable assets, net of depreciation	22,684,448	16,522,673	39,207,121
TOTAL ASSETS	36,749,395	29,305,466	66,054,861
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,247,397	256,366	1,503,763
Deferred outflows related to OPEB	1,177,899	-	1,177,899
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,425,296	256,366	2,681,662
LIABILITIES			
Accounts and other payables	753,248	1,844,177	2,597,425
Interest payable	3,071	21,404	24,475
Deposits payable from restricted assets	-	776,778	776,778
Noncurrent liabilities:			
Due within one year: Bonds, notes, leases, compensated absences	137,628	196,472	334,100
Due in more than one year			
Bonds, notes, leases, compensated absences	787,499	1,070,763	1,858,262
OPEB liability	8,523,868	-	8,523,868
Net pension liability	5,984,703	2,574,745	8,559,448
TOTAL LIABILITIES	16,190,017	6,484,339	22,674,356
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	3,110,548	767,970	3,878,518
Deferred inflows related to OPEB	3,465,526	-	3,465,526
TOTAL DEFERRED INFLOWS OF RESOURCES	6,576,074	767,970	7,344,044
NET POSITION			
Net investment in capital assets	24,242,354	15,794,057	40,036,411
Restricted for:			
Sewerage and recreational facilities	5,118,747	-	5,118,747
Economic development	496,843	-	496,843
Public safety	44,961	-	44,961
Unrestricted	(13,494,305)	6,515,466	(6,978,839)
TOTAL NET POSITION	\$ 16,408,600	\$ 22,309,523	\$ 38,718,123

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<i>Governmental activities:</i>				
General and administrative	\$ 2,854,460	\$ 194,039	\$ 256,731	\$ -
Police department	3,086,623	279,315	273,913	-
Fire department	1,525,145	-	48,215	-
Street department	1,809,391	-	23,010	32,000
Sanitation and health	941,077	1,077,738	-	-
Parks and recreation	2,066,076	75,631	6,500	-
Public works	801,472	201,700	-	1,898,110
Interest expense	21,869	-	-	-
Total Governmental Activities	13,106,113	1,828,423	608,369	1,930,110
<i>Business-type activities:</i>				
Water activities	2,242,967	2,628,611	-	-
Sewer activities	1,537,147	1,799,832	-	-
Electric activities	17,781,491	18,534,151	-	-
Other	1,117,136	313,366	-	-
Total Business-Type Activities	22,678,741	23,275,960	-	-
Total Primary Government	\$ 35,784,854	\$ 25,104,383	\$ 608,369	\$ 1,930,110

General Revenues and transfers:

General revenues:

Property taxes levied for general purposes

Sales and use tax revenue

Franchise taxes

Licenses and permits

Grants and contributions not restricted to a specific program

Earnings on investments

Miscellaneous

Transfers

Total general revenues and transfers

Changes in net position

Net position - beginning, as originally stated

Prior period adjustment

Net position - beginning, as restated

Net position - ending

THE ACCOMPANING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement B

PRIMARY GOVERNMENT		
NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
Governmental Activities	Business-Type Activities	TOTAL
\$ (2,403,690)	\$ -	\$ (2,403,690)
(2,533,395)	-	(2,533,395)
(1,476,930)	-	(1,476,930)
(1,754,381)	-	(1,754,381)
136,661	-	136,661
(1,983,945)	-	(1,983,945)
1,298,338	-	1,298,338
(21,869)	-	(21,869)
<u>(8,739,211)</u>	<u>-</u>	<u>(8,739,211)</u>
-	385,644	385,644
-	262,685	262,685
-	752,660	752,660
-	(803,770)	(803,770)
<u>-</u>	<u>597,219</u>	<u>597,219</u>
<u>(8,739,211)</u>	<u>597,219</u>	<u>(8,141,992)</u>
495,662	-	495,662
7,250,551	-	7,250,551
324,399	-	324,399
600,678	-	600,678
300	-	300
75,782	40,510	116,292
232,107	723,862	955,969
3,071,486	(3,071,486)	-
<u>12,050,965</u>	<u>(2,307,114)</u>	<u>9,743,851</u>
3,311,754	(1,709,895)	1,601,859
16,124,953	20,991,311	37,116,264
<u>(3,028,107)</u>	<u>3,028,107</u>	<u>-</u>
<u>13,096,846</u>	<u>24,019,418</u>	<u>37,116,264</u>
<u>\$ 16,408,600</u>	<u>\$ 22,309,523</u>	<u>\$ 38,718,123</u>

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BASIC FINANCIAL STATEMENTS:

FUND FINANCIAL STATEMENTS (FFS)

CITY OF MINDEN

GOVERNMENTAL FUNDS

Balance Sheet

September 30, 2021

Statement C

	SPECIAL REVENUE			NONMAJOR GOVERNMENTAL	TOTAL
	GENERAL	SALES TAX	SEWERAGE SALES TAX		
ASSETS:					
Cash and cash equivalents	\$ 973,310	\$ 2,613,074	\$ 2,327,594	\$ 816,828	\$ 6,730,806
Investments	670,636	315,558	1,584,764	610,022	3,180,980
Receivables	438,197	323,782	325,247	19,606	1,106,832
Interfund receivables	929,509	246,489	-	-	1,175,998
Inventory	25,422	-	-	-	25,422
TOTAL ASSETS	3,037,074	3,498,903	4,237,605	1,446,456	12,220,038
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts and other payables	753,248	-	-	-	753,248
Interfund payables	241,051	-	-	3,781	244,832
TOTAL LIABILITIES	994,299	-	-	3,781	998,080
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	27,231	-	-	-	27,231
FUND BALANCES:					
Nonspendable	25,422	-	-	-	25,422
Restricted	-	-	4,237,605	1,422,946	5,660,551
Assigned	-	3,498,903	-	19,729	3,518,632
Unassigned	1,990,122	-	-	-	1,990,122
TOTAL FUND BALANCES	2,015,544	3,498,903	4,237,605	1,442,675	11,194,727
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,037,074	\$ 3,498,903	\$ 4,237,605	\$ 1,446,456	\$ 12,220,038

THE ACCOMPANING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

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

Statement D

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds	\$ 11,194,727
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The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 47,047,698	
Accumulated depreciation	<u>(22,309,965)</u>	
		24,737,733

Some revenues were collected more than thirty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures.	27,231
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Other assets used in governmental activities that are not financial resources and, therefore are not reported in the fund financial statements	
Prepaid assets	36,456

Deferred outflows of resources are not available to pay current period expenditures and deferred inflows of resources are not due and payable in the current period, therefore, neither are reported in the governmental funds.

Deferred outflows related to pensions	1,247,397	
Deferred outflows related to OPEB	1,177,899	
Deferred inflows related to pensions	(3,110,548)	
Deferred inflows related to OPEB	<u>(3,465,526)</u>	
		(4,150,778)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Balances at September 30, 2021 are:

Accrued interest payable	3,071	
Capital leases	495,379	
Compensated absences payable	429,748	
Net pension liability	5,984,703	
OPEB liability	<u>8,523,868</u>	
		<u>(15,436,769)</u>

Net position - governmental activities	<u>\$ 16,408,600</u>
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THE ACCOMPANING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended September 30, 2021

Statement E

	SPECIAL REVENUE				
	GENERAL	SALES TAX	SEWERAGE SALES TAX	NONMAJOR GOVERNMENTAL	TOTAL
REVENUES					
Taxes:					
Ad valorem	\$ 495,662	\$ -	\$ -	\$ -	\$ 495,662
Sales and use	-	3,550,222	3,552,391	147,938	7,250,551
Other taxes, penalties, and interest	470,844	-	-	-	470,844
Licenses and permits	745,076	-	-	-	745,076
Intergovernmental revenues	2,567,395	-	-	-	2,567,395
Fees, charges and commissions for services	1,408,158	-	-	-	1,408,158
Use of money and property	7,972	-	-	12,540	20,512
Fines and forfeitures	121,328	-	-	121,073	242,401
Miscellaneous revenues	142,535	22,238	33,028	5,149	202,950
TOTAL REVENUES	5,958,970	3,572,460	3,585,419	286,700	13,403,549
EXPENDITURES					
Current:					
General and administrative	2,900,575	46,777	46,929	14,249	3,008,530
Police department	3,371,509	-	-	8,844	3,380,353
Fire department	1,681,268	-	-	-	1,681,268
Street department	1,791,723	-	-	-	1,791,723
Sanitation and health	941,663	-	-	-	941,663
Parks and recreation	1,745,963	-	-	-	1,745,963
Public works	373,859	-	-	-	373,859
Capital outlay	1,889,317	-	-	-	1,889,317
Debt service:					
Principal retirement	164,090	-	-	350,000	514,090
Interest and bank charges	20,762	-	-	6,788	27,550
TOTAL EXPENDITURES	14,880,729	46,777	46,929	379,881	15,354,316
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(8,921,759)	3,525,683	3,538,490	(93,181)	(1,950,767)
OTHER FINANCING SOURCES (USES)					
Transfers in	8,727,010	-	-	325,672	9,052,682
Transfers out	-	(2,413,606)	(2,923,121)	(644,469)	(5,981,196)
Leases	261,390	-	-	-	261,390
TOTAL OTHER FINANCING SOURCES (USES)	8,988,400	(2,413,606)	(2,923,121)	(318,797)	3,332,876
Net Change in Fund Balances	66,641	1,112,077	615,369	(411,978)	1,382,109
FUND BALANCES - BEGINNING	1,948,903	2,386,826	3,622,236	1,854,653	9,812,618
FUND BALANCES - ENDING	\$ 2,015,544	\$ 3,498,903	\$ 4,237,605	\$ 1,442,675	\$ 11,194,727

THE ACCOMPANING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

**GOVERNMENTAL FUNDS
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended September 30, 2021**

Statement F

Amounts reported for governmental activities in the Statement of Activities are different because:

Total net change in fund balances - governmental funds		\$ 1,382,109
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:		
Capital outlays	\$ 2,297,000	
Depreciation expense	<u>(1,291,075)</u>	
		1,005,925
The net effect of receipt of donated capital assets is an increase in net position.		8,500
The Statement of Activities reflects the effect of the disposition of capital assets during the year. The cost less the depreciation (net value) of the items disposed of during the year are not reflected in the fund balance.		(7,508)
Some revenues in the statement of activities do not provide current financial resources and are not reported as revenues in the governmental funds; whereas other revenues may be reported in prior periods statement of activities but are reported as current year financial resources in the governmental funds.		(58,160)
The recognition of pension and OPEB expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the governmental funds are the amounts actually paid.		803,418
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		514,090
In the Statement of Activities, certain operating expenses - compensated absences (vacation leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		(2,807)
Debt proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities.		(261,390)
Other expenses reported in the Statement of Activities do not require the use of current financial resources, and, therefore, are not reported in governmental funds:		
Prepaid assets	\$ (77,004)	
Accrued interest on long-term debt	<u>4,581</u>	
		<u>(72,423)</u>
Change in net position of governmental activities		<u>\$ 3,311,754</u>

THE ACCOMPANING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

PROPRIETARY FUND TYPE - ENTERPRISE FUND
Statement of Net Position
September 30, 2021

	Statement G
	UTILITY FUND
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 2,037,159
Investments	5,105,743
Restricted assets:	
Cash and cash equivalents - customer deposits	749,233
Investments	4,167
Receivables, net	3,693,022
Interfund receivables	241,051
Inventory	1,724,196
Prepaid items	72,633
Total current assets	13,627,204
NONCURRENT ASSETS:	
Capital Assets:	
Land and construction in progress	327,806
Depreciable assets, net of depreciation	16,522,673
Total noncurrent assets	16,850,479
TOTAL ASSETS	30,477,683
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow related to pensions	256,366
Total deferred outflows of resources	256,366
LIABILITIES	
CURRENT LIABILITIES :	
Accounts and other payables	1,844,177
Interfund payables	1,172,217
Interest payable	21,404
Customer deposits payable - restricted assets	776,778
Compensated absences	7,445
Capital lease obligations	189,027
Total current liabilities	4,011,048
NONCURRENT LIABILITIES:	
Compensated absences	203,368
Capital lease obligations	867,395
Net pension liability	2,574,745
Total noncurrent liabilities	3,645,508
TOTAL LIABILITIES	7,656,556
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow related to pensions	767,970
Total deferred inflows of resources	767,970
NET POSITION	
Net investment in capital assets	15,794,057
Unrestricted	6,515,466
TOTAL NET POSITION	\$ 22,309,523

THE ACCOMPANING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Revenues, Expenses,
and Changes in Fund Net Position
For the Year Ended September 30, 2021

	Statement H
	UTILITY FUND
OPERATING REVENUES	
Charges for services:	
Electric	\$ 18,534,151
Sewerage	1,799,832
Water	2,628,611
Penalties/service charges	434,883
Bad debt expense	(121,517)
Other operating revenue	723,862
	<hr/>
Total operating revenues	23,999,822
	<hr/>
OPERATING EXPENSES	
Purchase of power	15,317,669
Personnel services	2,040,184
Materials and supplies	149,688
Insurance claims and expenses	787,951
Repairs and maintenance	1,339,046
Other services and charges	1,627,912
Depreciation	1,369,426
	<hr/>
Total operating expenses	22,631,876
	<hr/>
OPERATING INCOME (LOSS)	1,367,946
	<hr/>
NONOPERATING REVENUES/EXPENSES	
Interest income	40,510
Interest expense & other charges	(39,872)
Investment expense	(6,993)
	<hr/>
Total nonoperating revenues (expenses)	(6,355)
	<hr/>
Income (Loss) before capital contributions and transfers	1,361,591
	<hr/>
CAPITAL CONTRIBUTIONS AND TRANSFERS	
Transfers in	1,100,981
Transfers out	(4,172,467)
	<hr/>
Total capital contributions and transfers	(3,071,486)
	<hr/>
CHANGE IN NET POSITION	(1,709,895)
	<hr/>
NET POSITION (Deficit) - BEGINNING, AS ORIGINALLY STATED	20,991,311
	<hr/>
Prior period adjustment	3,028,107
	<hr/>
NET POSITION - BEGINNING, AS RESTATED	24,019,418
	<hr/>
NET POSITION (Deficit) - ENDING	\$ 22,309,523
	<hr/>

THE ACCOMPANING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Cash Flows

For the Year Ended September 30, 2021

Statement I

	UTILITY FUND
CASH FLOW (USES) FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 22,633,065
Receipts from other operating activities	723,862
Payments to employees	(2,055,639)
Payments to others	(19,637,065)
Net cash provided by (used for) operating activities	1,664,223
CASH FLOW (USES) FROM INVESTING ACTIVITIES	
Redemption of certificate of deposit	745,763
Earnings on investments	40,510
Investment expense	(6,993)
Net cash provided by (used for) investing activities	779,280
CASH FLOW (USES) FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	929,283
Transfers out	(3,000,250)
Net increase in meter deposits	35,481
Net cash provided by (used for) noncapital financing activities	(2,035,486)
CASH FLOW (USES) FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(203,744)
Principal payment capital leases	(182,643)
Interest & penalties paid on debt	(43,656)
Net cash provided by (used for) capital and related financing activities	(430,043)
Net increase (decrease) in cash and cash equivalents	(22,026)
CASH AND CASH EQUIVALENTS - BEGINNING	2,808,418
CASH AND CASH EQUIVALENTS - ENDING	2,786,392
RECONCILIATION TO BALANCE SHEET	
Cash	2,037,159
Restricted assets - cash	749,233
	\$ 2,786,392
	(CONTINUED)

THE ACCOMPANING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Cash Flows

For the Year Ended September 30, 2021

Statement I

UTILITY
FUND

RECONCILIATION OF OPERATING INCOME (LOSS) TO
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ 1,367,946
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	1,369,426
(Increase) decrease in operating accounts receivable	(646,783)
(Increase) decrease in inventory	(147,119)
(Increase) decrease in prepaid items	33,982
(Increase) decrease in deferred outflows	457,046
Increase (decrease) in operating accounts and other payables	444,194
Increase (decrease) in unearned revenue	(117,629)
Increase (decrease) in compensated absences	(25,392)
Increase (decrease) in deferred inflows	736,368
Increase (decrease) in net pension liability	(1,807,816)
Net cash provided by (used for) operating activities	\$ 1,664,223

(CONCLUDED)

THE ACCOMPANING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN
Monroe, Louisiana

FIDUCIARY FUNDS
Statement of Fiduciary Net Position
September 30, 2021

Statement J

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUND 3/31/2021	CUSTODIAL FUND POLICE BOND FUND
ASSETS		
Cash and cash equivalents	\$ 460,542	\$ 206,197
Receivables - insurance company reimbursements	11,680	-
Receivables - refund	23,181	-
	<hr/>	<hr/>
Total assets	495,403	206,197
	<hr/>	<hr/>
LIABILITIES		
Claims payable	93,487	-
Claims incurred but not reported	281,510	-
Due to local governments	-	69,850
	<hr/>	<hr/>
Total liabilities	374,997	69,850
	<hr/>	<hr/>
NET POSITION		
Restricted for:		
Employee benefits	120,406	-
Bond return	-	136,347
	<hr/>	<hr/>
Total net position	<u>\$ 120,406</u>	<u>\$ 136,347</u>

THE ACCOMPANING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN
Monroe, Louisiana

FIDUCIARY FUNDS
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2021

Statement K

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUND 3/31/2021	CUSTODIAL FUND POLICE BOND FUND
ADDITIONS		
Contributions:		
Sponsor contributions	\$ 2,139,531	\$ -
Participants contributions	571,124	-
Retiree contributions	165,753	-
COBRA contributions	1,119	-
Specific insurance reimbursements	11,680	-
Miscellaneous	4,869	-
Bail bonds and fines	-	257,078
Total contributions	<u>2,894,076</u>	<u>257,078</u>
Total additions	<u>2,894,076</u>	<u>257,078</u>
DEDUCTIONS		
Benefits paid to participants	2,069,383	-
Payments for insurance premiums	728,778	-
Administrative expenses	60,457	-
Return of bail bonds	-	21,428
Distribution to government agencies	-	213,017
Bank charges	-	179
Total deductions	<u>2,858,618</u>	<u>234,624</u>
Net increase (decrease) in fiduciary net position	<u>35,458</u>	<u>22,454</u>
Net Position, beginning as originally stated	84,948	-
Prior period adjustment, Implementation of GASB #84	-	113,893
Net Position, beginning as restated	<u>84,948</u>	<u>113,893</u>
Net Position, ending	<u>\$ 120,406</u>	<u>\$ 136,347</u>

THE ACCOMPANING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

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City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Minden, Louisiana (the City) was incorporated in 1928 under the provisions of Act No. 226 of the 1928 Special Acts of Louisiana Legislature. The City is located in the Parish of Webster in the northwest corner of the State of Louisiana. Elected officials of the City of Minden are a mayor, five (5) aldermen, and a chief of police, all of whom serve four-year terms. The affairs of the City are conducted and managed by the mayor and board of aldermen, referred to as "The Council." The City provides a full range of municipal services as authorized by its charter. These include public safety (police and fire), street, water, electric, sewerage, sanitation and health, zoning and general administrative services.

The accompanying financial statements of the City of Minden have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are described below.

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

Based on the aforementioned criteria, the City has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
City Court of Minden	December 31	2 and 3
Minden City Marshal	December 31	2 and 3

The City has chosen not to include the component units listed above in the basic financial statements; however, these are necessary in order for the City to be reporting in conformity with GAAP. Separate financial statements for each of these component units can be obtained by contacting the component unit. If these component units were included, it would be through discrete presentation.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

The financial activity of the Minden Historic Downtown Development District Commission is reported within the City's General fund. The Commission is not reported as a component unit of the City because they do not have separate corporate powers that would distinguish them as being legally separate from the primary government, primarily due to the fact that the Commission does not have the right to buy, sell, lease and mortgage property in its own name. Furthermore, it was determined that the City holds the Commission's corporate powers.

B. Basic Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, streets, sanitation and health, parks and recreation, public works, and general administrative services are classified as governmental activities. The City's electric, water and sewer services are classified as business-type activities.

Government-wide Financial Statements In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

Program revenues Program revenues included in the Statement of Activities include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues

Allocation of indirect expenses The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported separately in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

C. Funds

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

The emphasis in fund financial statements is on the major funds in either the governmental and business-type activities categories. Nonmajor funds by category are summarized into a single column.

The following fund types are used by the City:

1. Governmental funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The City reports the following governmental funds:

- a. General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.
- c. Debt service funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for principal and interest.
- d. Capital project fund is used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays.

The municipality reports the following major governmental funds:

The General fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Sales Tax fund accounts for the receipt and use of the municipality's one percent (1%) sales and use tax under the provisions of the sales and use tax ordinance effective August 1, 1967.

The Sewerage Sales Tax Fund accounts for the receipt and use of the municipality's one percent (1%) sales and use tax under the provisions of the sales and use tax ordinance effective December 1, 1984. By special election held April 15, 2000, the City rededicated and renewed the levy of this one percent (1%) sales and use tax.

2. Proprietary funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

The municipality reports the following major proprietary fund:

The Utility Fund is used to account for electric, water and sewer service operations that are financed and operated in a manner similar to private business enterprise. 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 where the governing body has decided the periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

3. Fiduciary funds

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. Fiduciary reporting focus is on net position and changes in net position and are reported using the accrual basis of accounting. The City reports the following fiduciary funds:

- a. Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds. The custodial fund includes the Police Bond fund which accounts for fines and bonds held by the City for individuals and other governments.
- b. Pension (and Other Employee Benefit) Trust Fund is used to report resources and activities when the City is acting as a trustee for individuals. The Pension Trust Fund is used to account for medical, dental, vision, life and accidental death benefits covering substantially all employees.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other revenues are recognized when earned, and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Revenues from expenditure-driven grants are considered to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

Revenues

- Ad valorem taxes (property) are recorded in the year they are assessed. Property taxes are assessed on a calendar-year basis and become due on the date November 15 of each year and become delinquent on December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.
- Sales taxes are recognized when received by the City's collections agent, the Webster Parish Sales & Use Tax Commission.
- Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 90 days of year end.)
- Fines, forfeitures, licenses and permits are considered measurable and available when they are collected.
- Interest income on investments is recorded when earned and the income is available.
- Substantially all other revenue items are recorded when they are considered to be measurable and available to the City.

Other Financing Sources (Uses)

Sales of fixed assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

E. Deposits and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits, those investments with original maturities of 90 days or less. Under state law, the City may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statements of cash flows, cash and cash equivalents include cash, demand deposits, and certificates of deposit with an original maturity of less than 90 days. Cash and cash equivalents are stated at cost.

Louisiana Revised Statutes and the City's investment policy govern the types of allowable securities to be purchased by the municipality. The City of Minden is authorized to invest in the following types of investments:

- 1) Direct U.S. Treasury obligations, the principal and interest of which are fully guaranteed by the U.S. government.
- 2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the U.S.
- 3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities which are federally sponsored.
- 4) Bonds, debentures, notes or other evidence of indebtedness issued by the State of Louisiana or any of its political subdivisions.
- 5) Collateralized mortgage obligations which have not been stripped into interest only or principal only obligations
- 6) Time certificates of deposit of state banks organized under the laws of Louisiana, or national banks having their principal offices in the state of Louisiana.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Long-term investments, those with original maturities greater than one (1) year, are valued at the last reported sales price at current exchange rates.

F. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, ad valorem taxes, franchise taxes, and grants. Business-type activities report utilities as their major receivable. An allowance for uncollectible receivables is maintained, however, if amounts become uncollectible, in the opinion of management, they are charged to operations at that time.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, grants and other intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned and only if paid within 30 days, when considered both measurable and available.

G. Elimination and Reclassification

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds.” While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City’s utility fund and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

H. Inventories and Prepaid Items

Inventory items are valued using the weighted average method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide financial statements.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

Inventories in each fund are generally composed of the following items:

General Fund - Gasoline

Utility Fund - Electric, water and sewer repair and maintenance items

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available.

Donated assets are recorded as capital assets at their acquisition value at the date of donation. The municipality maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Roads, bridges, and infrastructure	25-50 years
Land improvements	10-30 years
Buildings and building improvements	10-40 years
Furniture and fixtures	5-15 years
Vehicles	5-10 years
Equipment	5-15 years

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Infrastructure being reported on includes bridges owned by the City during the current year. Of the remaining infrastructure, neither the historical cost nor related depreciation has historically been reported in the financial statements. The City has elected to report its system of streets under the modified approach.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category.

The Statement of Net Position reports the City's proportionate share of the deferred outflows of resources related to pensions and other post-employment benefits. See Note 10 and Note 11 for more information.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has two items that qualify for reporting in this category. The Statement of Net Position reports the City's proportionate share of the deferred inflows of resources related to pensions and other post-employment benefits. See Note 10 and Note 11 for more information.

The governmental funds balance sheet reports unavailable revenues from amounts which are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

K. Compensated Absences

The City's policy regarding vacation time permits full-time employees to accumulate earned but unused vacation leave. The only provision for vested benefits is that municipal employees, with the exception of employees of the police and fire department who are covered by Civil Service requirements, may carry forward no more than the maximum accruable amount for any vacation year. All employees do not have the option of foregoing vacation and being paid in lieu thereof. The entire accrued vacation liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of this debt is the amount that is normally expected to be paid using expendable available financial resources. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The City's policy regarding sick time permits full-time employees to accrue sick leave at the rate of eighty (80) hours per year, effective on the first day of full-time employment. Sick time may be carried over from year to year. Upon retirement, the employee will be reimbursed for fifty (50) percent of his/her accrued sick leave at his/her regular hourly rate of pay. Total reimbursement cannot exceed 500 hours. All sick leave hours used in the two years prior to retirement date will be deducted from the fifty (50) percent accrual prior to reimbursement. There is no provision for reimbursement of accrued sick leave for termination other than retirement. The liability for sick leave accrual is recorded as long-term debt in the government-wide financial statements.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premium and discounts, as well as issuance costs related to prepaid insurance, are deferred and amortized over the life of the bonds using the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at issuance, except for those related to prepaid insurance, which are recorded as prepaids in the Statement of Net Position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payment of principal and interest are reported as debt service expenditures.

M. Defining Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are from charges for electrical, water and sewerage services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

N. Restricted Net Position

For the government-wide Statement of Net Position, net position is reported as restricted if either of the following conditions exists:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Restrictions are imposed by law through constitutional provision or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources when expenses are incurred for purpose for which both restricted and unrestricted net position are available.

The government-wide statement of net position reports \$5,660,551 of restricted net position, of which \$5,388,470 is restricted by enabling legislation.

O. Fund Equity of Fund Financial Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used. In the fund financial statements, fund balances are classified as follows:

- a. Nonspendable fund balance - amounts that are not in a spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories.
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- c. Committed fund balance - amounts constrained to specific purposes determined by the City itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint. The City Council establishes (and modified or rescinds) fund balance commitments by passage of an ordinance or resolution.
- d. Assigned fund balance - amounts that the City intends to use for a specific purpose, intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The City's policy does not address assignment of fund balance. Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose.
- e. Unassigned fund balance - amounts that are available for any purpose, positive amounts are reported only in the General fund. The City has not adopted a policy to maintain the General fund's unassigned fund balance above a certain minimum level.

The City reduces committed amounts, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The City considers restricted amounts to have been spent when an expenditure has incurred for purposes for which both restricted and unrestricted fund balance are available.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

P. Estimates

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

Q. Pension plans

The City is a participating employer in several cost-sharing, multiple employer, defined benefit pension plans as described in Note 10. 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 each of the plans, and additions to/deductions for the plans fiduciary net position have been determined on the accrual basis, which is the same basis as they are reported by the retirement systems. 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.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Information

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

- a) The City Clerk prepares a proposed budget and submits same to the Mayor and the Council no later than fifteen days prior to the beginning of each fiscal year.
- b) The public is notified that the proposed budget is available for public inspection. At that time a public hearing is called.
- c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- e) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases or decreases in expenditures resulting from revenues exceeding of failing to meet amounts estimated require the approval of the Council.
- f) All budgetary appropriations lapse at the end of each fiscal year.
- g) Budgets for the General and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts, as originally adopted are amended from time to time by the Council.

Excess of Expenditures over Appropriations in Individual Funds

The following individual funds had actual expenditures over budgeted expenditures for the year-ended September 30, 2021.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 14,385,136	\$ 14,880,729	\$ (495,593)
Sales Tax Refunding Bonds, Series 2010	\$ 356,288	\$ 356,788	\$ (500)

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash and cash equivalents consist of the following at September 30, 2021:

Petty Cash	\$	4,181
Demand deposits		9,652,569
LAMP		527,187
Total	\$	<u>10,183,937</u>

Deposits

Deposits are stated at cost, which approximates fair market value. 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 fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits, may not be returned to it. As of September 30, 2021, the City's had a bank balance, including its fiduciary funds and certificates of deposits, total of \$14,196,690, in which \$12,915,644 was exposed to custodial credit risk. Of the amount exposed to custodial credit risk, \$12,705,102 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name and \$210,542 of the Pension (and Other Employee Benefit) Trust fund's cash was uninsured.. Even though the pledged securities are considered uncollateralized under the provisions of GASB, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. The City's policy does not address custodial credit risk.

Interest Rate Risk: The City's policy does not address interest rate risk.

Louisiana Asset Management Pool, Inc. (LAMP)

At September 30, 2021, the City had \$527,187 invested in LAMP. Louisiana Asset Management Pool, Inc. (LAMP) is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

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

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79.

The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAM by Standard & Poor's.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

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

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. government floating/variable rate investments.

Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130 or contact the LAMP administrative office at 800-249-5267.

Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's has the following recurring fair value measurement as of September 30, 2021:

Description of Investment	Fair Value	Governmental Activities	Business-Type Activities	Fair Market Value Hierarchy	Credit Risk (Moody's)	Interest Rate Risk
Federal Farm Credit Bonds	\$ 1,352,473	\$ 201,606	\$ 1,150,867	Level 1	Aaa	0-3 years
Federal Home Loan Banks Bonds	539,529	39,967	499,562	Level 1	Aaa	0-3 years
Federal National Mortgage Association	604,708	10,117	594,591	Level 1	Aaa	0-3 years
U.S. Treasury Notes	400,126	-	400,126	Level 1	Aaa	0-3 years
Municipal Bonds	1,298,353	63,868	1,234,485	Level 1	A1	3-5 years
Certificates of Deposit	4,091,534	2,865,422	1,226,112			0-3 years
UBS Cash Fund, Inc.	4,167	-	4,167			n/a
Total investments	<u>\$ 8,290,890</u>	<u>\$ 3,180,980</u>	<u>\$ 5,109,910</u>			

Interest Rate Risk: The City's policy does not address interest rate risk.

Credit Risk: The City's policy does not address credit risk.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment of \$4,199,356 are registered in the City's name held by the trust departments of the financial institutions. The City's policy does not address custodial credit risk.

NOTE 4 - AD VALOREM TAXES The City levies property taxes on real and business property located within the City's boundaries. Property taxes are levied by the City on property values assessed by the Webster Parish Tax Assessor and approved by the state of Louisiana Tax Commission. The Webster Parish Tax Assessor prepares tax statements for the City. Ad valorem taxes were levied in October 2020 with a due date and collection date of December 31, 2020 and a lien date of January 1, 2021.

The following is a summary of authorized and levied property taxes:

	<u>Maximum Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Fund Operations	5.46	5.46	Statutory
Downtown Development District	2.00	2.00	2030

NOTE 5 - SALES TAXES

1% Sales and Use Tax - The City was authorized to levy and collect one percent (1%) sales and use tax by special election held May 23, 1967.

The revenues derived therefrom were authorized to be used for "the purpose of opening, constructing, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks and bridges: constructing, acquiring, extending, improving, renovating and/or maintaining street lighting facilities, water-works, sewers and sewerage disposal works, garbage collection and waste disposal facilities, police department stations and equipment, public buildings and/or fire department stations and equipment, including fire engines, public parks and recreational facilities, airport facilities, and parking facilities; and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, building, improvements and facilities, and such tax to be subject to funding into bonds by the City in the manner authorized."

For the year ended September 30, 2021, the Sales Tax fund made operating transfers to other funds which were used for purposes for which the imposition of the tax was authorized were as follows:

	<u>General Fund</u>
Transfers to	\$2,413,606

1% Sales and Use Tax- Sewerage Improvements - The City was authorized to levy and collect one percent (1%) sales and use tax by special election held September 29, 1984.

The revenues derived therefrom were authorized to be used for "the purpose of constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal facilities and fund the proceeds of the tax into bonds to be issued in series from time to time for the purpose of constructing, acquiring and improving sewers and sewerage disposal facilities and the council shall annually budget the amount of said net proceeds of the tax required to pay principal and interest and reserve requirements on all bonds payable from the tax and the amount required for extending, improving, operating and maintaining sewers and sewerage disposal facilities and use the excess over said requirements to pay said bonds in full prior to their stated maturity and when provisions shall have been made for the payment of all said bonds in full the authority to levy the tax shall terminate."

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

By a special election held April 15, 2000, the City rededicated and renewed the levy of a one percent (1%) sales and use tax, which originally authorized at an election held on September 29, 1984.

The revenues derived therefrom were authorized to be used for “the purpose of acquiring, constructing, improving, maintaining, equipping and operating sewerage, sewage disposal facilities and recreational facilities, including the acquisition of sites therefore, and authority to fund the sales tax into bonds by the City in the manner authorized.”

For the year ended September 30, 2021 the Sales Tax fund made operating transfers to other funds which were used for purposes for which the imposition of the tax was authorized were as follows:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Utility Fund</u>	<u>Total</u>
Transfers to	\$1,496,467	\$325,672	\$1,100,982	\$2,923,121

2% Sales and Use Tax – Minden Economic Development Districts No. 1, No. 2, No. 3, and No. 4 – Effective January 1, 2017, Ordinances No. 1070, 1071, 1072 and 1073 were adopted by the City Council establishing the Minden Economic Development Districts No. 1, No. 2, No. 3, and No. 4. The Districts are considered tax increment financial districts (TIF) whereby a baseline of specific revenue collected in a specific area was determined and any revenues collected in the Districts over and above the baseline should be accounted for in the district. According to Ordinances No. 1078, 1079, 1080 and 1081, dated November 7, 2016, the initial baseline collection was designated zero. The City of Minden levied an additional two (2%) sales tax and 2 % hotel occupancy tax for taxpayers located inside the city limits of Minden and inside on the of the four Development Districts. The full amount of such additional sales tax is designated as the sales tax increments which will be determined and used to finance economic development projects.

NOTE 6 - RECEIVABLES The following is a summary of receivables at September 30, 2021:

<u>Class of Receivables</u>	<u>General</u>	<u>Sales Tax</u>	<u>Sewerage Sales Tax</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
<u>Governmental Activities:</u>					
Governmental Funds:					
Taxes:					
Sales & use	\$ -	\$ 323,782	\$ 325,247	\$ 15,106	\$ 664,135
Intergovernmental	260,696	-	-	4,500	265,196
Other	177,501	-	-	-	177,501
Total Governmental Funds	<u>\$ 438,197</u>	<u>\$ 323,782</u>	<u>\$ 325,247</u>	<u>\$ 19,606</u>	<u>\$1,106,832</u>

<u>Class of Receivables</u>	<u>Utility Fund</u>
<u>Business-type Activities:</u>	
Proprietary Funds:	
Utility user fees	\$ 4,156,765
Less allowance for doubtful accounts	(463,743)
Total Proprietary net receivables	<u>\$ 3,693,022</u>

Revenues of the Utility Fund, an enterprise fund, are reported net of uncollectable amounts. Total uncollectable amounts related to utility sales in the fiscal year amounted to \$121,517.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 7 - INTERFUND TRANSACTIONS/BALANCES Individual balances due from/to other funds at September 30, 2021, are as follows:

<u>Receivable</u>	Payable			
	General Fund	Nonmajor Governmental	Utility Fund	Total
General Fund	\$ -	\$ 3,781	\$ 925,728	\$ 929,509
Sales Tax Fund	-	-	246,489	246,489
Utility Fund	241,051	-	-	241,051
Total	<u>\$ 241,051</u>	<u>\$ 3,781</u>	<u>\$ 1,172,217</u>	<u>\$ 1,417,049</u>

The interfund balances resulted from fund reimbursements and transfers not made before year-end.

Transfers during the year were as follows:

<u>Transfer In</u>	Transfer Out				
	Sales Tax	Sewerage Sales Tax	Nonmajor Governmental	Utility Fund	Total
General Fund	\$ 2,413,606	\$ 1,496,468	\$ 644,469	\$ 4,172,467	\$ 8,727,010
Nonmajor Governmental	-	325,672	-	-	325,672
Utility Fund	-	1,100,981	-	-	1,100,981
Total	<u>\$ 2,413,606</u>	<u>\$ 2,923,121</u>	<u>\$ 644,469</u>	<u>\$ 4,172,467</u>	<u>\$ 10,153,663</u>

The City transferred money from the Sales Tax -Sewerage fund to cover debt service attributable to sewerage and recreation bonds, to cover costs of recreation activities within the General fund, and to cover costs of the sewer system within the Utility fund. The Utility and Sales Tax fund made transfers to supplement costs within the General fund. The STEP fund transferred money to repay costs of police vehicles for program.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 8- CAPITAL ASSETS The changes in capital assets for the year ended September 30, 2021 are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 1,942,729	\$ -	\$ -	\$ 1,942,729
Construction in progress	538,021	1,896,300	2,323,765	110,556
Total capital assets, not being depreciated	2,480,750	1,896,300	2,323,765	2,053,285
Depreciable assets:				
Infrastructure	5,337,362	2,323,765	-	7,661,127
Buildings	17,704,503	-	-	17,704,503
Land improvements other than buildings	10,838,022	-	-	10,838,022
Equipment	8,390,061	409,200	8,500	8,790,761
Total capital assets, being depreciated	42,269,948	2,732,965	8,500	44,994,413
Less: accumulated depreciation				
Infrastructure	(3,540,652)	(155,146)	-	(3,695,798)
Buildings	(7,755,714)	(400,947)	-	(8,156,661)
Land improvements other than buildings	(3,091,611)	(459,388)	-	(3,550,999)
Equipment	(6,631,905)	(275,594)	(992)	(6,906,507)
Total accumulated depreciation	(21,019,882)	(1,291,075)	(992)	(22,309,965)
Depreciable capital assets, net	21,250,066	1,441,890	7,508	22,684,448
Total capital assets, net	\$ 23,730,816	\$ 3,338,190	\$ 2,331,273	\$ 24,737,733

Depreciation expense was charged to governmental activities as follows:

General and administrative	\$ 150,714
Police department	36,434
Fire department	41,907
Street department	223,414
Parks and recreation	346,009
Public works	492,597
Total	<u>\$ 1,291,075</u>

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

	Balance Beginning	Additions	Deletions	Ending Balance
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 322,342	\$ -	\$ -	\$ 322,342
Construction in progress	129,740	163,964	288,240	5,464
Total capital assets, not being depreciated	<u>452,082</u>	<u>163,964</u>	<u>288,240</u>	<u>327,806</u>
Depreciable assets:				
Buildings	17,281,667	-	-	17,281,667
Land improvements other than buildings	35,562,289	248,220	-	35,810,509
Equipment	9,385,439	79,800	-	9,465,239
Total capital assets, being depreciated	<u>62,229,395</u>	<u>328,020</u>	<u>-</u>	<u>62,557,415</u>
Less: accumulated depreciation				
Buildings	(14,044,298)	(364,049)	-	(14,408,347)
Land improvements other than buildings	(22,806,793)	(824,967)	-	(23,631,760)
Equipment	(7,814,225)	(180,410)	-	(7,994,635)
Total accumulated depreciation	<u>(44,665,316)</u>	<u>(1,369,426)</u>	<u>-</u>	<u>(46,034,742)</u>
Depreciable capital assets, net	<u>17,564,079</u>	<u>(1,041,406)</u>	<u>-</u>	<u>16,522,673</u>
Total capital assets, net	<u>\$ 18,016,161</u>	<u>\$ (877,442)</u>	<u>\$ 288,240</u>	<u>\$ 16,850,479</u>

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

Water	\$ 347,971
Sewer	546,198
Electric	418,684
Other	56,573
Total	<u>\$ 1,369,426</u>

NOTE 9 - ACCOUNTS AND OTHER PAYABLES The accounts and other payables at fiscal year ended September 30, 2021 are as follows:

	Governmental Activities	Business-type Activities	
Class of Payables	General	Utility Fund	Total
Accounts Payable	\$ 613,717	\$ 1,797,971	\$2,411,688
Retainage Payable	36,093	-	36,093
Customer Deposits Payable	-	776,778	776,778
Wages Payable	103,438	46,206	149,644
Net Total payable	<u>\$ 753,248</u>	<u>\$ 2,620,955</u>	<u>\$3,374,203</u>

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 10 - PENSION PLANS

The City is a participating employer in three statewide, public employee retirement systems, Municipal Employees Retirement System (MERS), Municipal Police Employees Retirement System (MPERS), and the Firefighter's Retirement System (FRS). All of these plans have separate boards of trustees and administer cost-sharing, multiple-employer defined benefit pension plans, including classes of employees with different benefits and contributions rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by these systems to the State Legislature. Each plan issues a public report that includes financial statements and required supplementary information. Copies of these reports for MERS, MPERS, and FRS may be obtained at www.mersla.com, www.lampers.org, and www.ffret.com, respectively.

General Information about the Pension Plans

Plan Descriptions/Benefits Provided:

Municipal Employees' Retirement System: MERS provides retirement, disability, and survivor's benefits to employees of all incorporated villages, towns, and cities within the state which do not have their own retirement plan and which elect to become members of the Plan.

Membership in MERS is mandatory for any permanent employee working at least 35 hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the Plan with exceptions as outlined in the statutes. Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-11:1785.

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he/she has been a member of MERS and has 25 years of creditable service at any age or has 10 years of creditable service and is age 60. A member is eligible for early retirement after he has been a member of MERS for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three percent of the member's monthly average final compensation multiplied by his years of creditable service.

Membership Commencing January 1, 2013: A member is eligible for regular retirement after he/she has been a member of MERS and has 7 years of creditable service at age 67, 10 years of creditable service at age 62, or has 30 years of creditable service at age 55. A member is eligible for early retirement after he/she has been a member of the Plan for 25 years of creditable service at any age, with an actuarially reduced benefit. Benefit rates are three percent of the member's final average compensation multiplied by his/her years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. Any city marshal or deputy city marshal receives an additional regular retirement benefit.

Upon death of an active contributing member with five or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Cost of Living Adjustments

MERS is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the Plan to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his/her account balance in that fund, or any other method of payment if approved by the board of trustees. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the Plan.

Disability Benefits

A member shall be eligible to retire and receive a disability benefit if he/she has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the state medical disability board. Upon retirement caused by disability, a member shall be paid a disability benefit equal to the lesser of forty-five percent of his/her final average compensation or three percent of his/her final average compensation multiplied by his/her years of creditable service whichever is greater or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

Municipal Police Employees' Retirement System: MPERS provides retirement, disability, and survivor's benefits to municipal police officers.

Membership in MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of MPERS 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 MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

Membership Commencing January 1, 2013: A member's eligibility for regular retirement, early retirement, disability and survivor benefits are based on hazardous duty and nonhazardous sub duty plans. Under the hazardous duty sub-plan, a member is eligible for regular retirement after he/she has been a member of the Plan 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 Plan and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub-plans, a member is eligible for early retirement after he has been a member of the Plan for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under hazardous and non-hazardous duty sub-plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the Plan provides for surviving spouses and minor children.

Cost of Living Adjustments

MPERS's Board of Trustees are authorized by State statutes 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.

Deferred Retirement Option Plan

MPERS members are eligible to elect to enter the deferred retirement option plan (DROP) when he/she is eligible for regular retirement based on the member's plan participation. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership in the retirement plan shall resume and upon later termination, the member shall receive additional retirement benefit based on the additional service.

Initial Benefit Option Plan

In 1999, the State Legislature authorized MPERS 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 benefit for life. Interest is computed on the balance based on the same criteria as DROP.

Firefighters Retirement System: FRS provides retirement, disability, and survivor's benefits to full-time firefighters.

Membership in FRS is a condition for employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana. Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

A member is eligible for regular retirement after he has been a member of FRS and has 20 years of creditable service and is age 50, has 12 years creditable service and is age 55, or 25 years of service at any age. Benefit rates are three and one-third percent of average final compensation based on 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. Upon death of an active contributing member, the plan provides for surviving spouses and minor children.

Cost of Living Adjustments

FRS's Board of Trustees are authorized by State statutes 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.

Deferred Retirement Option Plan

After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the DROP for up to 36 months. Upon commencement of participation in the DROP, the employee and employer contributions cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership in the retirement plan shall resume. No payments may be made from the DROP account until the participant retires.

Initial Benefit Option Plan

In 1999, the State Legislature authorized FRS 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, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as a DROP account.

Disability Benefits

A member shall be eligible to retire and receive a disability benefit if he/she has been officially certified as disabled by the state medical disability board. Any member totally disabled from injury received in the line of duty, shall be paid, on a monthly basis, an annual pension of 60% of the average final compensation being received at the time of disability. Any member who has become disabled or incapacitated because of continued illness or as a result of any injury received, even though not in the line of duty, and who has five years of creditable service, but is not eligible for retirement under the provisions of LRS 11:2256 may apply for retirement under the provisions of LRS 11:2258 and shall be retired on 75% of the retirement salary to which he/she would be entitled under LRS 11:2256 if he/she were otherwise eligible thereunder or 25% of the member's average salary, whichever is greater.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

Employer Contributions

Each year the Louisiana Public Employee Retirement System Actuary Committee approves the contribution rates for employees and employers needed to fund 100% of the annual required contribution for both the current and unfunded portions of the net pension liability as required by state law for each state-sponsored retirement system plan. The City pays 100% of the required annual contribution, as determined by eligible active employee wages, and contributions are funded from the same sources the related salaries are paid.

The contribution requirements of plan members and the City are established and may be amended by state statute. According to state statute, contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City and retirement plans have different fiscal year ends and the following is a synopsis based on the City and plans' fiscal years.

The City's employee and employer contribution rates for fiscal year 2021 are as follows:

	Oct 1, 2020 to June 30, 2021		July 1, 2021 to Sept 30, 2021	
	Employee	Employer	Employee	Employer
MERS	10.00%	29.50%	10.00%	29.50%
MPERS				
Members hired prior to 1/1/2013	10.00%	33.75%	10.00%	29.75%
Hazardous Duty Members hired after 1/1/2013	10.00%	33.75%	10.00%	29.75%
Non Hazardous Duty Members hired after 1/1/2013	8.00%	33.75%	8.00%	29.75%
Member whose earnable compensation is less than poverty guidelines	7.50%	36.25%	7.50%	32.25%
FRS				
Members above the poverty line	10.00%	32.25%	10.00%	33.75%
Members below the poverty line	8.00%	34.25%	8.00%	35.75%

Contributions to the plans based on the City's and plan's fiscal year are as follows:

	Employer Contributions	
	City's Fiscal Year	Plan's Fiscal Year
	Oct 1, 2021 to Sept 30, 2021	July 1, 2020 to June 30, 2021
MERS	\$ 1,183,380	\$ 1,157,525
MPERS	389,410	399,725
FRS	211,686	208,162

Non-employer Contributions

MERS receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans, per state statute. The Plan also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income of \$149,638 are used as additional employer contributions and considered support from non-employer contributing entities.

MPERS and FRS receive 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 of \$86,765 for MPERS and \$73,514 for FRS were recognized as revenue during the fiscal year.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

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

At September 30, 2021, the City reported liabilities of \$5,577,871, \$2,069,627 and \$911,950 for its proportionate share of the MERS, MPERS, and FRS, respectively, Net Pension Liability (NPL). This liability will be liquidated by the General fund and proprietary fund. The NPL was measured as of June 30, 2021, and the total pension liabilities used to calculate the NPL was determined by actuarial valuations as of that date. The City's proportions of the NPL were based on an allocation method based on employer's contribution to the respective retirement plans during the plan year ended June 30, 2021 as compared to the total of all employers' contributions to the respective retirement plans during the plan year ended 2021.

As of June 30, 2021, the most recent measurement date, the City's proportions and the changes in proportion from the prior measurement date were as follows:

<u>System</u>	<u>City's Proportion</u>	<u>Change in Proportion</u>
MERS	2.00534%	-0.00216%
MPERS	0.38853%	0.02885%
FRS	0.25733%	-0.06056%

For the year ended September 30, 2021 the City recognized a total pension expense for state sponsored plans of \$843,141 or \$687,201 for MERS, \$119,119 for MPERS and \$86,821 for FRS. The City reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

Governmental Activities:

	<u>Deferred Outflows</u>				<u>Deferred Inflows</u>			
	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>Total</u>	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 1,082	\$ -	\$ 13,014	\$ 14,096	\$ 34,341	\$ 63,738	\$ 81,895	\$ 179,974
Changes of assumptions	109,746	229,200	197,613	536,559	-	59,038	-	59,038
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	846,134	966,353	553,425	2,365,912
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,288	199,504	161,617	374,409	15,268	53,864	436,492	505,624
Employer contributions subsequent to the measurement date	174,903	91,256	56,174	322,333	-	-	-	-
Total	<u>\$ 299,019</u>	<u>\$ 519,960</u>	<u>\$ 428,418</u>	<u>\$ 1,247,397</u>	<u>\$ 895,743</u>	<u>\$ 1,142,993</u>	<u>\$ 1,071,812</u>	<u>\$ 3,110,548</u>

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

Business-Type Activities:

	Deferred Outflows				Deferred Inflows			
	MERS	MPERS	FRS	Total	MERS	MPERS	FRS	Total
Differences between expected and actual experience	\$ 928	\$ -	\$ -	\$ 928	\$ 29,443	\$ -	\$ -	\$ 29,443
Changes of assumptions	94,091	-	-	94,091	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	725,437	-	-	725,437
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,393	-	-	11,393	13,090	-	-	13,090
Employer contributions subsequent to the measurement date	149,954	-	-	149,954	-	-	-	-
Total	<u>\$ 256,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,366</u>	<u>\$ 767,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 767,970</u>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of each plan's NPL in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Governmental Activities:

	MERS	MPERS	FRS	Total
2022	\$ (106,202)	\$ (141,122)	\$ (97,875)	\$ (345,199)
2023	(160,866)	(116,550)	(115,636)	(393,052)
2024	(218,140)	(123,686)	(160,256)	(502,082)
2025	(286,419)	(332,931)	(227,939)	(847,289)
2026	-	-	(59,421)	(59,421)
2027	-	-	(38,441)	(38,441)
Total	<u>\$ (771,627)</u>	<u>\$ (714,289)</u>	<u>\$ (699,568)</u>	<u>\$ (2,185,484)</u>

Business-Type Activities:

	MERS	MPERS	FRS	Total
2022	\$ (91,053)	\$ -	\$ -	\$ (91,053)
2023	(137,920)	-	-	(137,920)
2024	(187,023)	-	-	(187,023)
2025	(245,562)	-	-	(245,562)
2026	-	-	-	-
2027	-	-	-	-
Total	<u>\$ (661,558)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (661,558)</u>

Actuarial Assumptions. The NPL 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 pension. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

	MERS	MPERS	FRS
Valuation Date	June 30, 2021	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Expected Remaining Service Lives	3 years	4 years	7 years, closed period
Investment Rate of Return	6.85%, net of investment exp.	6.75%, net of investment exp.	6.90%, net of investment exp.
Inflation Rate	2.50% per annum	2.50% per annum	2.50% per annum
Mortality - Non-disabled	PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Employees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale)	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Employees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)
Mortality - Disabled	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)
Termination, Disability, Retirement	2013-2018 experience study	2014-2019 experience study	2014-2019 experience study
Salary Increases	1 to 4 years of service - 6.4%, more than 4 years of service - 4.5%	1 to 2 years of service - 12.30%, 2 years - 4.70%	above 14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic	Not substantively automatic

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for each plan in the following table:

	Target Allocation	LT Expected Real Rate of Return
MERS (arithmetic)		
Public equity	53.00%	2.31%
Public fixed income	38.00%	1.65%
Alternatives	9.00%	0.39%
Total	100.00%	4.35%
Inflation		2.60%
Expected arithmetic nominal return		6.95%
MPERS (arithmetic)		
Equity	55.50%	3.48%
Fixed Income	30.50%	0.59%
Alternative	14.00%	1.01%
Total	100.00%	5.08%
Inflation		2.22%
Expected arithmetic nominal return		7.30%
FRS (arithmetic)		
Equity	56.00%	3.60%
Fixed Income	26.00%	0.14%
Alternatives	18.00%	*
Total	100.00%	

* Subsequent to the actuary's calculation of the long term expected real rate of return in Jan 2021, the Board voted to amend the target asset allocation (which included a target weight in private real assets).

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

Discount Rate. The discount rate used to measure the total pension liability was 6.85% for MERS, 6.75% for MPERS and 6.90% for FRS. The discount rate for MERS decreased .05%, MPERS decreased .20%, and FRS decreased .10%. 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 PERSAC taking into consideration the recommendation of the each plan's actuary. Based on those assumptions, each plan'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 proportionate share of the NPL to changes in the discount rate. The following presents the City's proportionate share of the NPL for all plans using the current discount rate as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS	\$ 8,261,111	\$ 5,577,871	\$ 3,311,502
MPERS	3,607,034	2,069,627	786,412
FRS	1,749,509	911,950	213,435

Pension plan fiduciary net position. Detailed information about each plan's fiduciary net position are available in the separately issued financial report referenced above.

Payables to the Pension Plan. At September 30, 2021, the City had no payables to MERS, MPERS, and FRS, respectively, for the September 2021 employee and employer legally required contributions.

NOTE 11 - OTHER POST- EMPLOYMENT BENEFITS

Plan Description - The City provides post-employment benefits for eligible participants enrolled in the City of Minden health insurance program through the City of Minden, Employee Benefit Plan & Trust. This plan is a single employer defined benefit plan and the City maintains the authority to establish and amend plan benefit provisions and determine the contribution rates of the City and plan members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. Although the plan has a trust the amounts set aside in the trust are to pay current premiums and claims, on a "pay as you go" basis and are not set aside as assets accumulated to fund the OPEB obligation as actuarially determined. The plan provides medical, dental, vision, life and accidental benefits. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The benefits are provided in the form of:

- An implicit rate subsidy where retirees receive health insurance coverage by paying a combined retiree/active rate.
- An explicit subsidy where the City provides a health premium subsidy to eligible retirees.

Funding Policy – Retiree contributions are based on the total years that the retiree has provided services to the City. Retiree with less than 25 years of service receive a subsidy equal to 50% of the full premium. Retirees with more than 25 years of service receive a subsidy equal to 60% of the full premium. The plan is currently financed on a "pay-as-you-go" basis.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

Employees Covered by Benefit Terms – At September 30, 2020 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	42
Active employees	117
Total	<u>159</u>

Total OPEB Liability – The City's total OPEB liability of \$8,523,868 was measured as of September 30, 2021 and was determined by an actuarial valuation as of September 30, 2020. The liability will be funded through the General Fund.

The total OPEB liability is based on census information as of September 30, 2020 and benefit payments and salary information as of September 30, 2020 and September 30, 2021. There have been no significant changes between the valuation date and the fiscal year end.

Actuarial Assumptions and Other Inputs – The total OPEB liability for the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial method	Individual entry age normal cost - Level percentage of projected salary
Inflation	2.50%
Discount rate	2.25% Bond Buyer GO-20 bond index
Healthcare cost trend rate	Level 4.50% trend rate
Mortality	RPH-2014 Total Table with Projection MP-2019
Turnover	Termination rates from the Louisiana Municipal Employees Retirement System ("MERS") actuarial valuation report were used for non-public safety employees; termination rates from the Louisiana Municipal Employees Retirement System ("MPERS") actuarial valuation report were used for police employees and from the Louisiana Fireman Retirement System ("FRS") actuarial valuation report for fire employees.
Retirement rates	Same source for termination rates used for retirement rates.
Salary increases	3.50%

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2020	\$ 8,306,491
Changes for the year:	
Service cost	329,097
Interest	190,896
Benefit payments	(302,616)
Net changes	217,377
Balance at September 30, 2021	\$ 8,523,868

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City calculated using the discount rate of 2.25%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB liability	\$ 9,920,445	\$ 8,523,868	\$ 7,405,934

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower and one percentage point higher than the current healthcare cost trend rate.

	1% Decrease	Healthcare Trend Rate (4.50%)	1% Increase
Total OPEB liability	\$ 7,333,971	\$ 8,523,868	\$ 10,056,463

OPEB Expense and Deferred Outflows/ Inflows Related to OPEB – For the year ended September 30, 2021 the City recognized OPEB expense of \$101,818. At September 30, 2021, the City reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (245,280)
Changes in assumptions	1,177,899	(3,220,246)
Total deferred outflows	\$ 1,177,899	\$ (3,465,526)

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

2022	\$ (418,175)
2023	(418,175)
2024	(418,175)
2025	(473,680)
2026	(559,422)

NOTE 12 - LONG-TERM DEBT

During the year ended September 30, 2021, the following changes occurred in governmental activities long-term debt:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Direct borrowings & placements:					
Sales Tax Refunding Bonds	\$ 350,000	\$ -	\$ 350,000	\$ -	\$ -
Capital leases	398,079	261,390	164,090	495,379	68,762
Compensated absences	426,941	367,242	364,435	429,748	68,866
Total	<u>\$ 1,175,020</u>	<u>\$ 628,632</u>	<u>\$ 878,525</u>	<u>\$ 925,127</u>	<u>\$ 137,628</u>

During the year ended September 30, 2021, the following changes occurred in business-type activities long-term debt:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Capital leases	\$ 1,239,066	\$ -	\$ 182,644	\$ 1,056,422	\$ 189,027
Compensated absences	236,204	137,985	163,376	210,813	7,445
Total	<u>\$ 1,475,270</u>	<u>\$ 137,985</u>	<u>\$ 346,020</u>	<u>\$ 1,267,235</u>	<u>\$ 196,472</u>

For Governmental activities refunding bonds were liquidated by the Sales Tax Refunding Bonds, Series, 2010 Fund. All other liabilities are liquidated respectively by the General Fund and Utility Fund.

NOTE 13 - CAPITAL AND OPERATING LEASES

The City records items under capital leases as an asset and an obligation in the accompanying financial statements.

In January 2015, the City entered into a capital lease agreement for a fire truck. The cost of the fire truck was \$619,567 and the terms of the lease require the city to make seven payments of \$97,880. The last payment was made during the current fiscal year. At the end of the lease, the City has the option to purchase the truck for a payment of \$1. Interest accrues at a rate of 3.298%.

On January 6, 2016, the City entered into a capital lease agreement to lease the equipment for its city-wide water and electric meter project. The cost of the project under the lease was \$1,700,000 and the terms of the lease require the City to make ten payments of \$203,536. At the end of year ten, the City has the option of purchasing the equipment for a payment of \$1. Interest accrues at a rate of 3.417%.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

On February 4, 2019, the City entered into a capital lease agreement to lease a multi-purpose excavator and aerial bucket truck. The cost of the equipment under the lease was \$549,486 and the terms of the lease require the City to make one payment of \$57,700 and nine payments of \$68,354. At the end of year ten, the City has the option of purchasing the equipment for a payment of \$1. Interest accrues at a rate of 4.289%.

On February 10, 2021, the City entered into a capital lease agreement to lease a street sweeper. The cost of the equipment under the lease was \$261,390 and the terms of the lease require the City to make seven payments of \$41,381. At the end of year seven, the City has the option of purchasing the equipment for a payment of \$1. Interest accrues at a rate of 2.937%.

The assets acquired through capital leases are as follows:

<u>Asset:</u>	<u>Original Cost</u>	<u>Current Year Depreciation</u>	<u>Accumulated Depreciation</u>	<u>Final Maturity (Fiscal Year)</u>
<u>Governmental Activities:</u>				
Fire Truck	\$ 619,567	\$ 41,305	\$ 278,816	2021
Excavator	366,500	36,650	100,788	2028
Street Sweeper	261,390	17,426	17,426	2027
Total Governmental activities	<u>\$ 1,247,457</u>	<u>\$ 95,381</u>	<u>\$ 397,030</u>	
<u>Business-type Activities:</u>				
Water Meters	\$ 1,700,000	\$ 68,000	\$ 272,000	2026
Bucket Truck	182,986	18,299	50,321	2028
Total Business-type activities	<u>\$ 1,882,986</u>	<u>\$ 86,299</u>	<u>\$ 322,321</u>	

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021 are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2022	\$ 86,972	\$ 226,300
2023	86,972	226,300
2024	86,972	226,300
2025	86,972	226,300
2026	86,972	226,300
2027-2031	132,563	45,626
Total minimum lease payments	567,423	1,177,126
Less: amount representing interest	(72,044)	(120,704)
Present value of minimum lease payments	<u>\$ 495,379</u>	<u>\$ 1,056,422</u>

The City has operating leases for copiers, a printer and vehicles. The leased vehicles are for various departments and leases range from 48-60 months, with monthly payments ranging from \$592-\$702.

The City reported rental expense as follows:

<u>Asset</u>	<u>Contract Date</u>	<u>Term</u>	<u>Monthly Rental</u>	<u>Minimum Rental Payment for Year Ending September 30, 2021</u>	
				<u>Governmental Activities</u>	<u>Business-type Activities</u>
Ricoh MPC 6004 Copier	August 10, 2018	48 months	\$ 255	\$ 1,528	\$ 1,528
Ricoh MPC 3504 Copier	June 15, 2018	60 months	181	2,172	-
Ricoh MPC 4504 Copier	June 27, 2019	48 months	200	2,400	-
Printer TX 3000 MFPT36	January 15, 2018	36 months	228	-	912
Vehicles				143,285	36,227
Total				<u>\$ 149,385</u>	<u>\$ 38,667</u>

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

The minimum annual commitments under noncancelable operating leases are as follows:

<u>Year Ending</u>	<u>Future Minimum Rental Payment</u>
2022	\$ 6,832
2023	1,797
Total	<u>\$ 8,629</u>

NOTE 14 - ON-BEHALF SUPPLEMENTAL PAY

Certain employees meeting statutory qualifications in the police, fire and marshal departments receive supplemental pay directly from the State of Louisiana. This supplemental pay in the amount of \$262,100 is recognized as intergovernmental revenue and police, fire and ward marshal expenditures. Of the \$262,100 recognized, the State paid \$160,400 to City police officers, \$89,700 to City firemen, and \$12,000 to Ward Marshal.

NOTE 15 - CONTRACTUAL SERVICE AGREEMENT

The City has an agreement with Republic Services, a private company, to provide sanitation services to the City. These services include residential garbage and recyclable item pick-up and the disposal of such waste, with fees based on the number of pick-ups per week and the type of collection (curbside or backyard). The City then charges a monthly for sanitation services to individual customers on their utility bill.

NOTE 16 - JOINTLY GOVERNED ORGANIZATION

On March 11, 1992, the Webster Parish Sales & Use Tax Commission was formed under joint agreement of the City of Minden, the City of Springhill, the Town on Cotton Valley, the Town of Cullen, the Town of Sarepta, the Town of Sibley, the Village of Dixie Inn, the Webster Parish School Board and the Webster Parish Police Jury. The agreement established a joint commission for the purpose of providing a single collection agency within the boundaries of Webster Parish. The Commission is comprised of members from each of the taxing governments. Sales taxes were collected by the Commission and distributed to the City. The Commission issues an audited financial report which can be obtained by contacting the Webster Parish Sales & Use Tax Commission.

NOTE 17 - LITIGATIONS AND CONTINGENCIES

Contingencies: The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

Litigations: Various lawsuits are pending against the City of Minden. Attorneys of the City are of the opinion that any judgement rendered in favor of the plaintiff will not materially affect the financial position of the City at September 30, 2021.

NOTE 18 - RISK MANAGEMENT The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and automobile liability for which the City carries commercial insurance. The City currently has commercial insurance with deductibles from \$0 to \$50,000 and coverage limits from \$100,000 (employee fidelity) to a \$31,451,021 (fire and extended coverage). Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 19 - TAX ABATEMENTS

The State of Louisiana offers a number of programs that provide tax abatements within the City including the Industrial Tax Exemption Program (ITEP). Louisiana's ITEP has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from the state, parish and local property taxes for a period of ten years. The exemption is for the "contract" value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended September 30, 2021 by authorized millage is as follows:

Tax Code	Millage	Assed Value lost to ITEP	Estimated tax lost to ITEP
General corporate purposes	5.46	\$153,195	\$836

NOTE 20 - FUND BALANCE CLASSIFICATION DETAILS

The following are details of the fund balance classification:

	General	Sales Tax	Sewerage Sales Tax	Nonmajor Governmental	Total
Nonspendable	\$ 25,422	\$ -	\$ -	\$ -	\$ 25,422
Restricted for:					
Sewer/recreation projects	-	-	4,237,605	881,142	5,118,747
Economic development	-	-	-	496,843	496,843
Public safety	-	-	-	44,961	44,961
Assigned	-	3,498,903	-	19,729	3,518,632
Unassigned	1,990,122	-	-	-	1,990,122
Total	<u>\$ 2,015,544</u>	<u>\$ 3,498,903</u>	<u>\$ 4,237,605</u>	<u>\$ 1,442,675</u>	<u>\$ 11,194,727</u>

NOTE 21 - NEW GASB STANDARD

In the current fiscal year the City implemented GASB Statement No. 84 – *Fiduciary Activities*. The principal objective of this statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. It improves guidance regarding the identification of fiduciary activities for accounting and financial reporting and how those activities should be reported. The implementation of this standard required that the City present a Statement of Changes in Fiduciary Net Position for fiduciary funds. Additionally, the implementation of this standard required the City to reclassify previously reported agency funds as custodial funds. Due to this restatement, the Police Bond Fund's beginning net position was restated to \$113,893.

NOTE 22 - PRIOR PERIOD ADJUSTMENTS

The government-wide financial statements include a prior period adjustment changing net position of the governmental activities and business-type activities, which was related to moving other post employment benefit's (OPEB) liability and deferrals to the governmental activities. Retiree insurance payments are only paid from the General Fund and the liability and referrals were moved to reflect the payment from governmental activities and not business-type activities.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2021

Net position:

	Governmental Activities	Business-type Activities
Net position, as previously report	\$16,124,953	\$20,991,311
Correction for OPEB liability	(3,028,107)	3,028,107
Net position, restated	<u>\$13,096,846</u>	<u>\$24,019,418</u>

Net position:

	Utility Fund
Net position, as previously report	\$20,991,311
Correction for OPEB liability	3,028,107
Net position, restated	<u>\$24,019,418</u>

Due to the implementation of GASB 84, as mentioned in Note 21, the Police Bond Fund's net position was restated by \$113,893.

NOTE 23 - SUBSEQUENT EVENTS

On March 11, 2021, the American Rescue Plan Act was signed into federal law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds. This program is intended to provide support to governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents and businesses. The City of Minden received notification of an award of \$4,379,052 for this program and received a partial payment on October 7, 2021 for \$2,189,526.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2021

Exhibit 1-1

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last Seven Years

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Municipal Employees' Retirement System (MERS)					
2021	2.005344%	\$ 5,577,871	\$ 3,923,808	142.15%	77.82%
2020	2.007504%	8,679,263	3,833,529	226.40%	64.52%
2019	1.987815%	8,306,408	3,654,490	227.29%	64.68%
2018	1.949277%	8,071,328	3,558,828	226.80%	63.94%
2017	2.046000%	8,549,240	3,712,308	230.29%	62.49%
2016	2.113222%	8,611,486	3,775,921	228.06%	62.11%
2015	2.116933%	7,562,018	3,613,092	209.29%	66.18%
Municipal Police Employees' Retirement System (MPERS)					
2021	0.388528%	\$ 2,069,627	\$ 1,184,504	174.73%	84.09%
2020	0.359675%	3,324,235	1,076,075	308.92%	70.94%
2019	0.355512%	3,228,644	1,110,228	290.81%	71.01%
2018	0.382525%	3,233,890	1,128,882	286.47%	71.89%
2017	0.387770%	3,385,396	1,128,637	299.95%	70.08%
2016	0.445268%	4,173,416	1,294,652	322.36%	66.04%
2015	0.430206%	3,370,211	1,705,932	197.56%	70.73%
Firefighters' Retirement System (FRS)					
2021	0.257333%	\$ 911,950	\$ 645,465	141.29%	86.78%
2020	0.317894%	2,203,498	791,430	278.42%	72.61%
2019	0.348884%	2,184,680	843,209	259.09%	73.96%
2018	0.339869%	1,954,953	809,175	241.60%	74.76%
2017	0.300465%	1,722,220	701,544	245.49%	73.55%
2016	0.282144%	1,845,477	895,307	206.13%	68.16%
2015	0.273126%	1,474,113	580,443	253.96%	72.45%

Notes:

The amounts presented have a measurement date of June 30th of the fiscal year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2021

Exhibit 1-2

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLANS
Last Seven Years

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Municipal Employees' Retirement System (MERS)					
2021	\$ 1,183,380	\$ 1,183,380	\$ -	\$ 4,011,454	29.50%
2020	1,125,234	1,125,234	-	3,990,328	28.20%
2019	976,716	976,716	-	3,698,240	26.41%
2018	897,155	897,155	-	3,556,680	25.22%
2017	853,862	853,862	-	3,680,679	23.20%
2016	746,485	746,485	-	3,650,165	20.45%
2015	709,988	709,988	-	3,594,876	19.75%
Municipal Police Employees' Retirement System (MPERS)					
2021	\$ 389,410	\$ 389,410	\$ -	\$ 1,190,293	32.72%
2020	392,746	392,746	-	1,143,607	34.34%
2019	341,311	341,311	-	1,056,663	32.30%
2018	356,430	356,430	-	1,146,021	31.10%
2017	343,511	343,511	-	1,089,842	31.52%
2016	376,862	376,862	-	1,254,048	30.05%
2015	360,404	360,404	-	1,165,145	30.93%
Firefighters' Retirement System (FRS)					
2021	\$ 211,686	\$ 211,686	\$ -	\$ 648,650	32.63%
2020	220,477	220,477	-	768,038	28.71%
2019	223,321	223,321	-	833,918	26.78%
2018	218,989	218,989	-	826,374	26.50%
2017	185,554	185,554	-	726,019	25.56%
2016	231,949	231,949	-	981,338	23.64%
2015	165,271	165,271	-	575,259	28.73%

Notes:

The amounts presented were determined as of the fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2021

Notes to Required Supplementary Information for Pensions

Changes in benefit terms: No changes noted for any plans.

Changes of assumptions:

The following schedule provides changes in actuarial assumptions for Municipal Employee's Retirement System (MERS):

Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Investment Rate of Return	6.85%, net of investment exp.	6.95%, net of investment exp.	7.00%, net of investment exp.	7.275%, net of investment exp.	7.40%, net of investment exp.	7.50%, net of investment exp.	7.50%, net of investment exp.
Inflation Rate	2.50% per annum	2.50% per annum	2.50% per annum	2.60% per annum	2.775% per annum	2.875% per annum	2.875% per annum
Mortality-Non-Disabled	PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales	PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales	PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales	RP-2000 Healthy Annuitant Sex Distinct Mortality Table (set forward 2 years for males & 1 year for females) projected to 2028 using Scale AA; RP-2000 Employee Sex Distinct Table (set back 2 years for both males and females)	RP-2000 Healthy Annuitant Sex Distinct Mortality Table (set forward 2 years for males & 1 year for females) projected to 2028 using Scale AA; RP-2000 Employee Sex Distinct Table (set back 2 years for both males and females)	RP-2000 Healthy Annuitant Sex Distinct Mortality Table (set forward 2 years for males & 1 year for females) projected to 2028 using Scale AA; RP-2000 Employee Sex Distinct Table (set back 2 years for both males and females)	RP-2000 Healthy Annuitant Sex Distinct Mortality Table (set forward 2 years for males & 1 year for females) projected to 2028 using Scale AA; RP-2000 Employee Sex Distinct Table (set back 2 years for both males and females)
Mortality-Disabled	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)
Termination, Disability, Retirement	2013-2018 experience study	2013-2018 experience study	2013-2018 experience study	2009-2014 experience study	2009-2014 experience study	2009-2014 experience study	2009-2014 experience study
Salary Increases	1 to 4 years of service - 6.4%, more than 4 years of service - 4.5%	1 to 4 years of service - 6.4%, more than 4 years of service - 4.5%	1 to 4 years of service - 6.4%, more than 4 years of service - 4.5%	5.0%	5.0%	5.0%	5.0%

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2021

The following schedule provides changes in actuarial assumptions for Municipal Police Employee's Retirement System (MPERS):

Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Investment Rate of Return	6.75%, net of investment exp.	6.95%, net of investment exp.	7.125%, net of investment exp.	7.20%, net of investment exp.	7.325%, net of investment exp.	7.5%, net of investment exp.	7.50%, net of investment exp.
Inflation Rate	2.50% per annum	2.50% per annum	2.50% per annum	2.60% per annum	2.70% per annum	2.875% per annum	2.875% per annum
Mortality-Non-Disabled	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale) for healthy annuitants & beneficiaries and employees	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale) for healthy annuitants & beneficiaries and employees	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table set back 4 years for males and 3 years for females for active members	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table (set back 4 years for males and 3 years for females for active members	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table (set back 4 years for males and 3 years for females for active members	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table (set back 4 years for males and 3 years for females for active members	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table (set back 4 years for males and 3 years for females for active members
Mortality-Disabled	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)	RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females)
Termination, Disability, Retirement	2014-2019 experience study	2014-2019 experience study	2009-2014 experience study	2009-2014 experience study	2009-2014 experience study	2009-2014 experience study	2009-2014 experience study
Salary Increases	1 to 2 years of service - 12.30%, Above 2 years - 4.70%	1 to 2 years of service - 12.30%, Above 2 years - 4.70%	1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25%	1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25%	1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25%	1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25%	1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25%

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2021

The following schedule provides changes in actuarial assumptions for Firefighter's Retirement System (FRS):

Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Investment Rate of Return	6.90%, net of investment exp.	7.00%, net of investment exp.	7.15%, net of investment exp.	7.30%, net of investment exp.	7.40%, net of investment exp.	7.50%, net of investment exp.	7.50%, net of investment exp.
Inflation Rate	2.50% per annum	2.50% per annum	2.50% per annum	2.70% per annum	2.775% per annum	2.880% per annum	2.880% per annum
Mortality-Non-Disabled	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees for employees & Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees for employees & Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employee, annuitant and beneficiary mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employee, annuitant and beneficiary mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employee, annuitant and beneficiary mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employee, annuitant and beneficiary mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employee, annuitant and beneficiary mortality
Mortality-	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females)	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females)	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females)	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females)	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females)
Termination, Disability, Retirement	2014-2019 experience study	2014-2019 experience study	2009-2014 experience study	2009-2014 experience study	2009-2014 experience study	2009-2014 experience study	2009-2014 experience study
Salary Increases	14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases	14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases	Vary from 14.75% in the first 2 years of service to 4.5% after 25 years	Vary from 15% in the first 2 years of service to 4.75% after 25 years	Vary from 15% in the first 2 years of service to 4.75% after 25 years	Vary from 15% in the first 2 years of service to 4.75% after 25 years	Vary from 15% in the first 2 years of service to 4.75% after 25 years

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2021

EXHIBIT 2

SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS

Last Four Fiscal Years

Total OPEB Liability	2018	2019	2020	2021
Service cost	\$ 353,798	\$ 368,162	\$ 368,162	\$ 329,097
Interest	408,348	424,844	346,592	190,896
Differences between expected and actual experience	-	-	(348,122)	-
Changes of assumptions	-	2,102,952	(4,570,456)	-
Benefit payments	(382,425)	(357,986)	(302,616)	(302,616)
Net change in total OPEB liability	379,721	2,537,972	(4,506,440)	217,377
Total OPEB liability - beginning	9,895,238	10,274,959	12,812,931	8,306,491
Total OPEB liability - ending	<u>\$ 10,274,959</u>	<u>\$ 12,812,931</u>	<u>\$ 8,306,491</u>	<u>\$ 8,523,868</u>
Covered payroll	\$ 4,940,521	\$ 4,940,521	\$ 4,698,323	\$ 4,698,323
Total OPEB liability as a percentage of covered-employee payroll	207.97%	259.34%	176.80%	181.42%

Notes to Schedule:

Changes of Assumptions:

<u>Discount Rates:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
	4.06%	2.66%	2.25%	2.25%

Healthcare cost trend rates:

2018 and 2019: Level 5.0% annual trend rate

2020 and 2021: Level 4.5% annual trend rate

Mortality Rates:

2018 and 2019: RPH-2014 Total Table with Projection MP-2018

2020 and 2021: RPH-2014 Total Table with Projection MP-2019

No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2021

EXHIBIT 3

CONDITION RATING OF THE CITY'S STREET SYSTEM

	2017	2018	2019	2020	2021
# of Streets	338	338	327	327	326
Percentage of streets in good or better condition	76.63%	76.63%	66.36%	66.36%	66.26%
Percentage of streets in substandard condition	23.37%	23.37%	33.64%	33.64%	33.74%
Comparison of needed to actual maintenance/preservation:					
Needed as of 1/1 (date of assessment)	\$ 4,316,748	\$ 4,316,748	\$ 7,790,674	\$ 7,790,674	\$ 7,596,165
Actual cost of improvements incurred as of 9/30	\$ 230,221	\$ 331,717	\$ -	\$ 589,454	\$ 369,730

The condition of road pavement is measured by the City using a pavement management system which rates the condition of the pavement surfaces using a 1-5 rating scale assessing the following distress factors:

- Base failure
- Surface wear
- Effects of outside construction contractors which may cause damage to streets during various projects
- Evidence of potholes

The system is based on a condition rating system from 1 to 5. The rating scale used to classify roads in good or better condition (4-5), fair condition (3), and substandard condition (1-2). Roads which are rated 1 are considered highest priority for improvements. It is the City's policy to maintain at least 75% of its street system at a good or better condition level.

The City's condition assessment is determined every two years as the pavement conditions are monitored throughout this time.

City of Minden

Budgetary Comparison Schedules

Major Funds with Legally Adopted Annual Budget

General Fund - is the general operating fund of the City. It accounts for all financial resources, except those required to be accounted for in other funds.

Sales Tax Fund - accounts for the receipt and use of the municipality's one percent (1%) sales and use tax under the provisions of the sales and use tax ordinance effective August 1, 1967.

Sewerage Sales Tax Fund -accounts for the receipt and use of the municipality's one percent (1%) sales and use tax under the provisions of the sales and use tax ordinance effective December 1, 1984. By special election held April 15, 2000, the City rededicated and renewed the levy of this one percent (1%) sales and use tax.

CITY OF MINDEN

GENERAL FUND

Budgetary Comparison Schedule
For the Year Ended September 30, 2021

Exhibit 4-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	BUDGETARY	WITH FINAL
			BASIS	BUDGET
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,729,045	\$ 1,389,552	\$ 1,948,903	\$ 559,351
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	477,500	477,500	495,662	18,162
Other taxes, penalties, and interest	400,000	400,000	470,844	70,844
Licenses and permits	643,500	643,500	745,076	101,576
Intergovernmental revenues	1,794,740	1,794,740	2,567,395	772,655
Fees, charges and commissions for services	1,438,615	1,438,615	1,408,158	(30,457)
Use of money and property	10,000	10,000	7,972	(2,028)
Fines and forfeitures	89,500	89,500	121,328	31,828
Miscellaneous revenues	136,000	136,000	142,535	6,535
Transfers in from other funds	10,165,057	10,315,057	8,727,010	(1,588,047)
Lease proceeds	-	-	261,390	261,390
Amounts available for appropriations	16,883,957	16,694,464	16,896,273	201,809
Charges to appropriations (outflows)				
Current:				
General and administrative	2,965,580	2,904,804	2,900,575	4,229
Police department	3,405,011	3,405,011	3,371,509	33,502
Fire department	1,745,555	1,745,555	1,681,268	64,287
Street department	2,172,595	1,697,595	1,791,723	(94,128)
Sanitation and health	983,189	983,189	941,663	41,526
Parks and recreation	2,094,144	1,860,144	1,745,963	114,181
Public works	408,779	408,779	373,859	34,920
Capital outlay	1,380,059	1,380,059	1,889,317	(509,258)
Debt service:				
Principal retirement	-	-	164,090	(164,090)
Interest and bank charges	-	-	20,762	(20,762)
Total charges to appropriations	15,154,912	14,385,136	14,880,729	(495,593)
BUDGETARY FUND BALANCES, ENDING	\$ 1,729,045	\$ 2,309,328	\$ 2,015,544	\$ (293,784)

CITY OF MINDEN

**SALES TAX
Budgetary Comparison Schedule
For the Year Ended September 30, 2021**

Exhibit 4-2

	BUDGETED AMOUNTS		ACTUAL BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ -	\$ 2,386,826	\$ 2,386,826	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Sales and use	3,075,000	3,075,000	3,550,222	475,222
Miscellaneous revenues	21,500	21,500	22,238	738
Amounts available for appropriations	3,096,500	5,483,326	5,959,286	475,960
Charges to appropriations (outflows)				
Current:				
General and administrative	48,500	48,500	46,777	1,723
Transfers to other funds	3,048,000	3,048,000	2,413,606	634,394
Total charges to appropriations	3,096,500	3,096,500	2,460,383	636,117
BUDGETARY FUND BALANCES, ENDING	\$ -	\$ 2,386,826	\$ 3,498,903	\$ 1,112,077

CITY OF MINDEN

**SEWERAGE SALES TAX
Budgetary Comparison Schedule
For the Year Ended September 30, 2021**

Exhibit 4-3

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	BUDGETARY BASIS	
BUDGETARY FUND BALANCES, BEGINNING	\$ -	\$ 3,622,236	\$ 3,622,236	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Sales and use	3,075,000	3,075,000	3,552,391	477,391
Miscellaneous revenues	626,500	26,500	33,028	6,528
Amounts available for appropriations	3,701,500	6,723,736	7,207,655	483,919
Charges to appropriations (outflows)				
Current:				
General and administrative	48,000	48,000	46,929	1,071
Transfers to other funds	3,653,500	3,053,500	2,923,121	130,379
Total charges to appropriations	3,701,500	3,101,500	2,970,050	131,450
BUDGETARY FUND BALANCES, ENDING	\$ -	\$ 3,622,236	\$ 4,237,605	\$ 615,369

City of Minden

Notes to the Budgetary Comparison Schedule For the Year Ended September 30, 2021

Note A. BUDGET PRACTICES A preliminary budget for the ensuing year is prepared by the clerk in August. The proposed budget is reviewed by the mayor and the City Council and made available to the public. During a September meeting of the City Council, the City holds a public hearing on the proposed budget in order to receive comments from citizens. Changes are made to the proposed budget based on the public hearing and the desires of the City Council as a whole. The budget is then adopted during a September meeting, and notice is published in the official journal.

During the year, the City Council receives monthly budget comparison statements which are used as a tool to control the operations of the City. The City Clerk presents necessary budget amendments to the Council when he determines that actual operations are differing materially from those anticipated in the original budget. The Council in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in the City's minutes published in the official journal.

The budget is established and controlled by the mayor and Council members at the functional level of expenditure. Unexpended appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the mayor and the Council members. The City does not use encumbrance accounting in its accounting system.

Appropriations (unexpended budget balances) lapse at year end.

Note B. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED APPROPRIATIONS The following individual funds had actual expenditures over budgeted expenditures for the year ended September 30, 2021:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 14,385,136	\$ 14,880,729	\$ (495,593)
Sales Tax Refunding Bonds, Series 2010	\$ 356,288	\$ 356,788	\$ (500)

Note C. BUDGET TO GAAP RECONCILIATION Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>SEWERAGE SALES TAX</u>
<u>Sources/inflows of resources:</u>			
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 16,896,273	\$ 5,959,286	\$ 7,207,655
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(1,948,903)	(2,386,826)	(3,622,236)
Transfers in are shown as resources (inflows) for budgetary purposes but as other financing sources for reporting purposes	(8,727,010)	-	-
Loan proceeds are shown as resources (inflows) for budgetary purposes but as other financing sources for reporting purposes	(261,390)	-	-
Total revenues as reported on the Statement of Revenues, Expenditures, and changes in Fund Balances - Governmental Funds	<u>5,958,970</u>	<u>3,572,460</u>	<u>3,585,419</u>
<u>Uses/outflows of resources:</u>			
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	14,880,729	2,460,383	2,970,050
Transfers to other funds classified and expenditures for budgetary purposes and as an operating transfer for financial reporting	-	(2,413,606)	(2,923,121)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 14,880,729</u>	<u>\$ 46,777</u>	<u>\$ 46,929</u>

SUPPLEMENTARY INFORMATION

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

CITY OF MINDEN

NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
September 30, 2021

Exhibit 5

		DEBT SERVICE	CAPITAL PROJECTS	
		SALES TAX	CAPITAL	
		REFUNDING	IMPROVEMENTS	
	SPECIAL	BONDS,	STREET	
	REVENUE	SERIES 2010	FUND	TOTAL
ASSETS				
Cash and cash equivalents	\$ 525,979	\$ 271,120	\$ 19,729	\$ 816,828
Investments	610,022	-	-	610,022
Receivables	19,606	-	-	19,606
TOTAL ASSETS	<u>1,155,607</u>	<u>271,120</u>	<u>19,729</u>	<u>1,446,456</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Interfund payables	3,781	-	-	3,781
TOTAL LIABILITIES	<u>3,781</u>	<u>-</u>	<u>-</u>	<u>3,781</u>
FUND BALANCES:				
Restricted	1,151,826	271,120	-	1,422,946
Assigned	-	-	19,729	19,729
TOTAL FUND BALANCES	<u>1,151,826</u>	<u>271,120</u>	<u>19,729</u>	<u>1,442,675</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,155,607</u>	<u>\$ 271,120</u>	<u>\$ 19,729</u>	<u>\$ 1,446,456</u>

CITY OF MINDEN

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended September 30, 2021

Exhibit 6

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE SALES TAX REFUNDING BONDS, SERIES 2010</u>	<u>CAPITAL PROJECTS CAPITAL IMPROVEMENTS STREET FUND</u>	<u>TOTAL</u>
REVENUES				
Taxes:				
Sales and use	\$ 147,938	\$ -	\$ -	\$ 147,938
Use of money and property	9,899	2,418	223	12,540
Fines and forfeitures	121,073	-	-	121,073
Miscellaneous revenues	5,149	-	-	5,149
TOTAL REVENUES	284,059	2,418	223	286,700
EXPENDITURES				
Current:				
General and administrative	14,249	-	-	14,249
Police Department	8,844	-	-	8,844
Debt service:				
Principal retirement	-	350,000	-	350,000
Interest and bank charges	-	6,788	-	6,788
TOTAL EXPENDITURES	23,093	356,788	-	379,881
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	260,966	(354,370)	223	(93,181)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	325,672	-	325,672
Transfers out	(99,150)	-	(545,319)	(644,469)
TOTAL OTHER FINANCING SOURCES (USES)	(99,150)	325,672	(545,319)	(318,797)
Net Change in Fund Balances	161,816	(28,698)	(545,096)	(411,978)
FUND BALANCES - BEGINNING	990,010	299,818	564,825	1,854,653
FUND BALANCES - ENDING	\$ 1,151,826	\$ 271,120	\$ 19,729	\$ 1,442,675

City of Minden
Nonmajor Special Revenue Funds

DRUG TASK FORCE FUND This fund is used to account for activities to combat drug activities within the City. Funding is provided through fines and miscellaneous sources.

REFUNDING BOND, SERIES 2002 This fund is used to account for funds set aside for bond payments.

TIF District #1 This fund is used to account for economic development in the associated district. Funding is provided through sales tax within the district.

TIF District #2 This fund is used to account for economic development in the associated district. Funding is provided through sales tax within the district.

TIF District #3 This fund is used to account for economic development in the associated district. Funding is provided through sales tax within the district.

TIF District #4 This fund is used to account for economic development in the associated district. Funding is provided through sales tax within the district.

STEP This fund created in fiscal year September 30, 2021 is used to account for the Selective Traffic Enforcement Program to enforce highway safety laws. Funding is provided by fines for traffic violations.

CITY OF MINDEN

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

September 30, 2021

Exhibit 7

	DRUG TASK FORCE FUND	REFUNDING BONDS, SERIES 2002	TIF DISTRICT #1	TIF DISTRICT #2	TIF DISTRICT #3	TIF DISTRICT #4	STEP	TOTAL
ASSETS:								
Cash and cash equivalents	\$ 30,846	\$ -	\$ 48,550	\$ 425,984	\$ 1,340	\$ 5,863	\$ 13,396	\$ 525,979
Investments	-	610,022	-	-	-	-	-	610,022
Receivables	-	-	1,327	12,631	915	233	4,500	19,606
TOTAL ASSETS	<u>30,846</u>	<u>610,022</u>	<u>49,877</u>	<u>438,615</u>	<u>2,255</u>	<u>6,096</u>	<u>17,896</u>	<u>1,155,607</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Interfund payables	-	-	-	-	-	-	3,781	3,781
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,781</u>	<u>3,781</u>
FUND BALANCES:								
Restricted	<u>30,846</u>	<u>610,022</u>	<u>49,877</u>	<u>438,615</u>	<u>2,255</u>	<u>6,096</u>	<u>14,115</u>	<u>1,151,826</u>
TOTAL FUND BALANCES	<u>30,846</u>	<u>610,022</u>	<u>49,877</u>	<u>438,615</u>	<u>2,255</u>	<u>6,096</u>	<u>14,115</u>	<u>1,151,826</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 30,846</u>	<u>\$ 610,022</u>	<u>\$ 49,877</u>	<u>\$ 438,615</u>	<u>\$ 2,255</u>	<u>\$ 6,096</u>	<u>\$ 17,896</u>	<u>\$ 1,155,607</u>

CITY OF MINDEN

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended September 30, 2021

Exhibit 8

	DRUG TASK FORCE FUND	REFUNDING BONDS, SERIES 2002	TIF DISTRICT #1	TIF DISTRICT #2	TIF DISTRICT #3	TIF DISTRICT #4	STEP	TOTAL
REVENUES								
Taxes:								
Sales and use	\$ -	\$ -	\$ 16,081	\$ 124,923	\$ 6,701	\$ 233	\$ -	\$ 147,938
Use of money and property	-	5,016	520	4,281	12	70	-	9,899
Fines and forfeitures	7,323	-	-	-	-	-	113,750	121,073
Miscellaneous revenues	5,145	-	-	-	-	-	4	5,149
TOTAL REVENUES	12,468	5,016	16,601	129,204	6,713	303	113,754	284,059
EXPENDITURES								
Current:								
General and administrative	-	-	6,956	1,490	5,314	-	489	14,249
Police department	8,844	-	-	-	-	-	-	8,844
TOTAL EXPENDITURES	8,844	-	6,956	1,490	5,314	-	489	23,093
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	3,624	5,016	9,645	127,714	1,399	303	113,265	260,966
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	-	-	(99,150)	(99,150)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	(99,150)	(99,150)
Net Change in Fund Balances	3,624	5,016	9,645	127,714	1,399	303	14,115	161,816
FUND BALANCES - BEGINNING	27,222	605,006	40,232	310,901	856	5,793	-	990,010
FUND BALANCES - ENDING	\$ 30,846	\$ 610,022	\$ 49,877	\$ 438,615	\$ 2,255	\$ 6,096	\$ 14,115	\$ 1,151,826

CITY OF MINDEN

**NONMAJOR SPECIAL REVENUE FUND
SALES TAX REFUNDING BONDS, SERIES 2002
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021**

Exhibit 9-1

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Local sources:				
Use of money and property	\$ -	\$ -	\$ 5,016	\$ 5,016
TOTAL REVENUES	-	-	5,016	5,016
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	5,016	5,016
Net Change in Fund Balances	-	-	5,016	5,016
FUND BALANCES - BEGINNING	600,000	600,000	605,006	5,006
FUND BALANCES - ENDING	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 610,022</u>	<u>\$ 10,022</u>

CITY OF MINDEN
NONMAJOR SPECIAL REVENUE FUND
TIF DISTRICT #1
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

Exhibit 9-2

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Local sources:				
Taxes:				
Sales and use	13,500	13,500	16,081	2,581
Use of money and property	\$ 300	\$ 300	\$ 520	\$ 220
TOTAL REVENUES	<u>13,800</u>	<u>13,800</u>	<u>16,601</u>	<u>2,801</u>
EXPENDITURES				
Current:				
General and administrative	<u>11,000</u>	<u>11,000</u>	<u>6,956</u>	<u>4,044</u>
TOTAL EXPENDITURES	<u>11,000</u>	<u>11,000</u>	<u>6,956</u>	<u>4,044</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>2,800</u>	<u>2,800</u>	<u>9,645</u>	<u>6,845</u>
Net Change in Fund Balances	2,800	2,800	9,645	6,845
FUND BALANCES - BEGINNING	<u>-</u>	<u>40,232</u>	<u>40,232</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,800</u>	<u>\$ 43,032</u>	<u>\$ 49,877</u>	<u>\$ 6,845</u>

CITY OF MINDEN
NONMAJOR SPECIAL REVENUE FUND
TIF DISTRICT #2
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

Exhibit 9-3

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ 100,000	\$ 101,000	\$ 124,923	\$ 23,923
Use of money and property	2,500	2,500	4,281	1,781
TOTAL REVENUES	102,500	103,500	129,204	25,704
EXPENDITURES				
Current:				
General and administrative	1,200	2,200	1,490	710
TOTAL EXPENDITURES	1,200	2,200	1,490	710
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	101,300	101,300	127,714	26,414
Net Change in Fund Balances	101,300	101,300	127,714	26,414
FUND BALANCES - BEGINNING	-	310,901	310,901	-
FUND BALANCES - ENDING	\$ 101,300	\$ 412,201	\$ 438,615	\$ 26,414

CITY OF MINDEN
NONMAJOR SPECIAL REVENUE FUND
TIF DISTRICT #3
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

Exhibit 9-4

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ -	\$ 5,600	\$ 6,701	\$ 1,101
Use of money and property	-	-	12	12
TOTAL REVENUES	-	5,600	6,713	1,113
EXPENDITURES				
Current:				
General and administrative	-	5,600	5,314	286
TOTAL EXPENDITURES	-	5,600	5,314	286
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	1,399	1,399
Net Change in Fund Balances	-	-	1,399	1,399
FUND BALANCES - BEGINNING	-	856	856	-
FUND BALANCES - ENDING	\$ -	\$ 856	\$ 2,255	\$ 1,399

CITY OF MINDEN
NONMAJOR SPECIAL REVENUE FUND
TIF DISTRICT #4
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

Exhibit 9-5

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ 200	\$ 200	\$ 233	\$ 33
Use of money and property	50	50	70	20
TOTAL REVENUES	250	250	303	53
EXPENDITURES				
Current:				
General and administrative	2	2	-	2
TOTAL EXPENDITURES	2	2	-	2
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	248	248	303	55
Net Change in Fund Balances	248	248	303	55
FUND BALANCES - BEGINNING	-	5,793	5,793	-
FUND BALANCES - ENDING	\$ 248	\$ 6,041	\$ 6,096	\$ 55

CITY OF MINDEN

NONMAJOR DEBT SERVICE FUND
SALES TAX REFUNDING BONDS, SERIES 2010
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

Exhibit 9-6

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Use of money and property	\$ 1,200	\$ 1,200	\$ 2,418	\$ 1,218
TOTAL REVENUES	1,200	1,200	2,418	1,218
EXPENDITURES				
Debt service:				
Principal retirement	350,000	350,000	350,000	-
Interest and bank charges	6,288	6,288	6,788	(500)
TOTAL EXPENDITURES	356,288	356,288	356,788	(500)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(355,088)	(355,088)	(354,370)	718
OTHER FINANCING SOURCES (USES)				
Transfers in	355,088	355,088	325,672	(29,416)
TOTAL OTHER FINANCING SOURCES (USES)	355,088	355,088	325,672	(29,416)
Net Change in Fund Balances	-	-	(28,698)	(28,698)
FUND BALANCES - BEGINNING	-	299,818	299,818	-
FUND BALANCES - ENDING	\$ -	\$ 299,818	\$ 271,120	\$ (28,698)

City of Minden

Exhibit 10

**Schedule of Compensation Paid to Council Members
For the Year Ended September 30, 2021**

The City of Minden, paid the following amounts for compensation to the members of the City Council as of September 30, 2021:

<u>Council Member</u>	<u>Compensation</u>	<u>Car Allowance</u>
Pamela Bloxom	\$ 12,600	\$ 1,200
Vincen Bradford	12,600	1,200
Tommy Davis (10/1/20 to 3/29/21)	5,961	600
William Roy (3/30/21 to 9/30/21)	6,155	600
Wayne Edwards	12,600	1,200
Terika Walker	12,600	1,200
Total	<u>\$ 62,516</u>	<u>\$ 6,000</u>

**Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended September 30, 2021**

Terry Gardner, Mayor

Purpose	Amount
Salary	\$ 84,000
Benefits-Retirement	24,780
Benefits-Medicare	1,305
Car allowance	6,000
Reimbursements	2,582
Travel	1,135
Total	<u>\$ 119,802</u>

City of Minden

Exhibit 12

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Cash Basis Presentation	First Six Month Period Ended 03/31/21	Second Six Month Period Ended 09/30/21
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 169,405	\$ 200,708
Add: Collections		
Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>)	-	113,750
Criminal Court Costs/Fees	40,181	51,479
Criminal Fines - Other	84,268	80,822
Probation/Parole/Supervision Fees	-	4,096
Interest Earnings on Collected Balances	-	4
Subtotal Collections	124,449	250,151
Less: Disbursements To Governments & Nonprofits: (<i>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.</i>)		
Minden City Court; Criminal Court Costs/Fees	40,181	51,479
Minden City Court; Probation/Parole/Supervision Fees	-	328
Less: Amounts Retained by Collecting Agency		
City of Minden- Civil Fees	-	96,147
City of Minden- Criminal Fines- Other	46,288	65,084
City of Minden - Probation/Parole/Supervision Fees	-	3,768
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Other Disbursements to Individuals (additional detail is not required)	6,677	14,750
Subtotal Disbursements/Retainage	93,146	231,556
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 200,708	\$ 219,303

Justice System Funding Schedule - Receiving Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Cash Basis Presentation	First Six Month Period Ended 03/31/21	Second Six Month Period Ended 09/30/21
Receipts From:		
<i>Webster Parish Police Jury- Criminal Fines- Other</i>	\$ 900	\$ -
<i>Webster Parish Police Jury- Asset Forfeiture/Sale</i>	209	3,346
Subtotal Receipts	<u>\$ 1,109</u>	<u>\$ 3,346</u>
Ending Balance of Amounts Assessed but Not Received <i>(only applies to those agencies that assess on behalf of themselves, such as courts)</i>	-	-

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND UNIFORM GUIDANCE**



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA

Aimee Buchanan, CPA

Principal: Cindy Thomason, CPA

Audit Managers: Amy Tynes, CPA, CFE

Margie Williamson, CPA

Jennie Henry, CPA, CFE

Audit Supervisor: Mallory Stone, CPA

In-Charge: Crystal Patterson, CPA

Ernest L. Allen, CPA

(Retired) 1963 - 2000

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*

Independent Auditor's Report

To the Honorable Mayor and the City Council
City of Minden, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Minden as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2022.

Our report includes a reference to other auditors who audited the financial statements of the City of Minden's Pension and Other Employee Benefit Trust Plan, as described in our report on City of Minden's financial statements. This report does not include the result of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 and 2021-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

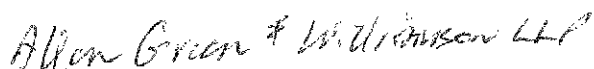
City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

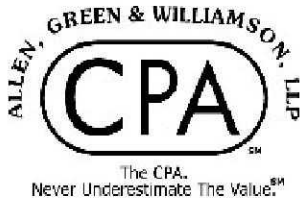
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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 these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
March 31, 2022



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Aimee Buchanan, CPA
Principal: Cindy Thomason, CPA
Audit Managers: Amy Tynes, CPA, CFE
Margie Williamson, CPA
Jennie Henry, CPA, CFE
Audit Supervisor: Mallory Stone, CPA
In-Charge: Crystal Patterson, CPA
Ernest L. Allen, CPA
(Retired) 1963 - 2000

Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

To the Honorable Mayor and the City Council
City of Minden, Louisiana

Report on Compliance for Each Major Federal Program

We have audited City of Minden's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Minden complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

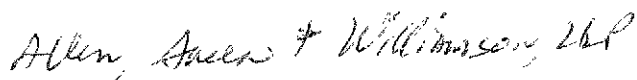
Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
March 31, 2022

City of Minden
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	Grant Identification No.	Expenditures
United States Department of Transportation				
Direct Program:				
Airport Improvement Program:				
Airport Improvement Program	20.106		3-22-0032-013-2020	\$ 1,788,066
COVID-19 Airport Rescue Grant	20.106		3-22-0032-016-2021	32,000
COVID-19 Coronavirus Relief Grant Program	20.106		3-22-0032-015-2021	13,000
Total Airport Improvement Program				<u>1,833,066</u>
Passed Through Highway Safety Commission:				
Alcohol Open Container Requirements	20.607		2021-35-08	1,701
State and Community Highway Safety	20.600		2021-35-08	756
Total Department of Transportation				<u>1,835,523</u>
United States Department of Homeland Security				
Passed Through Louisiana Department of Homeland Security and Emergency Preparedness				
COVID-19 Emergency Protective Measures	97.036	PW-00010		27,309
		PW-00073		7,040
		PW-00261		3,169
		PW-00058		31,650
		PW-00229		4,168
		PW-00118		178,944
		PW-00329		12,267
Total Department of Homeland Security				<u>264,547</u>
TOTAL FEDERAL AWARDS				<u>\$ 2,100,070</u>

City of Minden
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

NOTE 1 - BASIS OF PRESENTATION The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Minden under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Minden, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the City's financial statements as follows:

Major Fund:	Federal Sources
General Fund: Intergovernmental revenues	\$ 2,100,070
Total	<u>\$ 2,100,070</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - INDIRECT COST RATE The City of Minden has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Minden
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.
- ii. There were two significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. The significant deficiencies were not considered to be material weaknesses.
- iii. The audit disclosed no instances of noncompliance considered material to the financial statements, as defined by the Government Auditing Standards.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by the Uniform Guidance.
- v. The type of report the auditor issued on compliance of major federal awards was unmodified.
- vi. The audit disclosed no audit finding related to compliance, which the auditor is required to report under the Uniform Guidance.
- vii. The major federal program is:

Airport Improvement Program	CFDA #20.106
-----------------------------	--------------
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in the Uniform Guidance was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance.

City of Minden
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **2021-001** **Controls over Financial Reporting**

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Good internal controls over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financials are accurate at year-end.

Condition found: Internal controls were not in place or were not followed.

Our tests revealed:

- Bank accounts were not reconciled on a timely basis and not reviewed.
- Journal entries were not reviewed and support was not maintained in a consistent manner.
- Lack of reconciliation for inventory.
- Payment for recreation officials is paid to association at beginning of season and is not reconciled monthly based on games played considering weather cancellations.
- Two employees had computer system access rights that were not necessary for job duties.
- One employee payroll timesheet did not have supervisor approval.
- Two employees approved own credit card payments with no additional review.
- One travel receipt did not have itemized description of items purchased.

Context: This finding appears to be reoccurring concerning bank account reconciliations and journal entry review.

Possible asserted effect (cause effect):

Cause: Lack of procedures and employee turnover.

Effect: The City's controls over financial reporting may not identify material misstatements on a timely basis.

Recommendations to prevent future occurrences: The City should establish quality control procedures to ensure bank reconciliations and journal entries are reviewed. Additionally, quality controls procedures should be established to reconcile recreation official pay, review of payroll and vendor disbursements, and computer system access be limited as need for job duties.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended September 30, 2018.

View of responsible official: See corrective action letter from Terry L. Gardner, Mayor.

City of Minden
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **2021-002** **Controls over Collections**

Entity-wide or program/department specific: This finding is for the Police Department.

Criteria or specific requirement: Internal controls should be in place to ensure that adequate controls exist over decentralized collections of revenues.

Condition found: The Police Department handles collections within the department. In prior years, \$39,000 of fines were collected but not reported to be dispersed to the City's general fund during the year. There are approximately \$53,000 of deposits that have been made to the police bond fund without details of the source of the funds. Frequently, refunds are made to the violators. However, without the payor's detail, refunds can not be made.

Context: This finding appears to be department related.

Possible asserted effect (cause effect):

Cause: Police department staff responsible for cash collections and disbursements were not able to timely follow-up on reporting and making disbursements for the City's portion of the fines during the year. The City does not have an efficient way to track collections and payables in the Police Bond Fund.

Effect: Amounts owed to individuals or government agencies are not distributed on a timely basis, nor made at all

Recommendations to prevent future occurrences: The City should collect Police Department charges/fines at the centralized collection department. Quality controls procedures should be established to account for all monies deposited into the police bond fund which identifies the source of the deposit and allows for timely and proper reimbursement.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended September 30, 2016.

View of responsible official: See corrective action letter from Terry L. Gardner, Mayor.

OTHER INFORMATION

City of Minden

Schedule of Prior Year Audit Findings and Questioned Costs For the Year Ended September 30, 2021

Reference # and title: **2020-001** **Internal Controls over Financial Reporting**

Condition: Adjustments were made to the City's balances at year end. The City does not perform reconciliations between the balances recorded in the general ledger and subsidiary information which would help identify possible errors or misstatements. There were variances between several balance sheet accounts which were not corrected on a timely basis. The City recognized and approved the necessary adjustments to correct.

Corrective action taken: See following letter from Michael Fluhr, Acting City Clerk.

See finding 2021-001.

Reference # and title: **2020-002** **Controls over Collections**

Condition: The Police Department continues to handle collections and has tried to separate responsibilities over the collection, recording and deposit process. The reconciliation of disposition of tickets is not being performed, and approximately \$39,000 of fines were collected but not reported to be disbursed to the City's general fund during the year. There are approximately \$52,000 of deposits that have been made to the police bond fund which needs to be researched to determine whether these are bonds held or additional money owed to the City's general fund or others.

Corrective action taken: See following letter from Michael Fluhr, Acting City Clerk.

See finding 2021-002.

Reference # and title: **2020-003** **General Capital Asset Recording**

Condition: Inventory maintained by the City was not updated according to their procedures.

- Current year purchases were not added to the City's capital asset inventory by responsible officials of the City.
- Prior year purchases were not added to the City's capital asset inventory.
- Four capital assets could not be located.
- No separate listing of land, land improvements and building improvements.

Corrective action taken: See following letter from Michael Fluhr, Acting City Clerk.

Item is considered cleared.



Terry L. Gardner, Mayor
www.mindenusa.com

520 Broadway • P. O. Box 580 • Minden, Louisiana 71058 • Telephone (318) 377-2144 • Fax (318) 371-4200

March 29, 2022

Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70804-9397

To whom it may concern:

In reference to Minden's Annual Financial Report for the year ended September 30, 2021 and the "Schedule of Prior Year Findings and Questioned Costs", the City of Minden would like to provide the following response:

Controls over Financial Reporting – Reference # 2020 – 001 and Controls over Collections – Reference # 2020-002

As indicated in the City's response to the Audit Findings **2021-001** and **2021-002**, the situation and problem resumed the same because of the massive employee turnover in the Accounting Department. The City believes, with the undertaken corrections and new employees, the issues will be resolved by the end of this fiscal year.

If there are any further questions need to be answered, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Fluhr" followed by a small mark.

Michael Fluhr
Acting City Clerk

CC: Mayor Gardner
Asst. City Clerk H. Feedback



City of Minden

Corrective Action Plan for Current Year Audit Findings and Questioned Costs For the Year Ended September 30, 2021

Reference # and title: **2021-001** **Controls over Financial Reporting**

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Internal controls were not in place or were not followed.

Our tests revealed:

- Bank accounts were not reconciled on a timely basis and not reviewed.
- Journal entries were not reviewed and support was not maintained in a consistent manner.
- Lack of reconciliation for inventory.
- Payment for recreation officials is paid to association at beginning of season and is not reconciled monthly based on games played considering weather cancellations.
- Two employees had computer system access rights that were not necessary for job duties.
- One employee payroll timesheet did not have supervisor approval.
- Two employees approved own credit card purchases with no additional approval.
- One travel receipt did not have itemized description of items purchased.

Corrective action planned: See following correction plan from City.

Person responsible for corrective action:

Terry Gardner, Mayor
City of Minden
520 Broadway
Minden, Louisiana 71058

Telephone: (318) 377-2144
Fax: (318) 371-4200

Anticipated completion date: April 30, 2022

City of Minden

Corrective Action Plan for Current Year Audit Findings and Questioned Costs (continued)

Reference # and title: **2021-002** **Controls over Collections**

Condition found: The Police Department handles collections within the department. In prior years, \$39,000 of fines were collected but not reported to be dispersed to the City's general fund during the year. There are approximately \$53,000 of deposits that have been made to the police bond fund without details of the source of the funds. Frequently, refunds are made to the violators. However, without the payor's detail, refunds can not be made.

Corrective action planned: See following correction plan from City.

Person responsible for corrective action:

Terry Gardner, Mayor
City of Minden
520 Broadway
Minden, Louisiana 71058

Telephone: (318) 377-2144
Fax: (318) 371-4200

Anticipated completion date: April 30, 2022



Terry L. Gardner, Mayor
www.mindenusa.com

520 Broadway • P. O. Box 580 • Minden, Louisiana 71058 • Telephone (318) 377-2144 • Fax (318) 371-4200

March 28, 2022

Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70804-9397

To whom it may concern:

In reference to Minden's Annual Financial Report for the year ended September 30, 2021 and the "Schedule of Findings and Questioned Costs", the management of the City of Minden would like to provide the following response:

Controls over Financial Reporting – Reference # 2021 - 001

- During the audit year, the City of Minden encountered a massive employee turnover in the Accounting Department. At the beginning of the 2021 Fiscal Year, the City employed a new City Clerk, which unfortunately left the workforce again after 6 month. The Assistant City Clerk (at that time) was overloaded with additional work. Three months before ending the FY 2021, the Asst. City Clerk, as well as the City Clerk's Secretary resigned without prior notification, which resulted in a lack of personnel and subsequently a lack of internal controls specifically related to the bank reconciliation process.

The newly hired Assistant City Clerk has been advised to reconcile the bank accounts on a monthly basis, latest by the 15th of the following month (ex: month of January on February 15) and provide documentation to the City Clerk for review.

- The same procedure was established for all Journal entries. After closing out the month (bank reconciliation and journal entries), no further entries should be made in that month and a budget report should be provided to Management and Council Members by the 15th.
- Since the person responsible for the capital asset recordkeeping (City Clerk's Secretary) resigned without prior notice, the reconciliation of the inventory was never completed. Reassignment of personnel will eliminate the problem.
- The Recreation Director and his Assistant have been directed to provide a monthly reconciliation report of all games played, all weather related cancellations and payments to the Official Association.
- The IT-Director has been instructed to limit computer access rights for the Account



Payable Clerk to a level, which would allow only vendor disbursement. New Vendor accounts shall be created by the City Clerk or a designee other than the Accounts Payable Clerk.

The Human Resource Manager, as a result of the exodus of employees in the Accounting Department, took over the responsibilities as Payroll Clerk. With hiring the Accounting Assistant, the IT-Director received instructions to remove the access rights (Payroll) from the Human Resource Manager.

- The next three (3) findings have been addressed to the respective personnel with the instruction to follow strictly existing guidelines and policies to repeat similar problems.

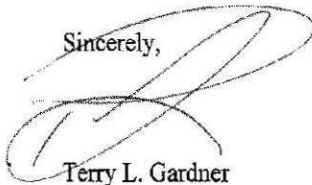
Controls over Collections – Reference # 2021-002

The police department was informed of this repetitive finding (originated in 2016). Even with newly established improvements (software, etc) made, the problem is not completely solved and internal conversations and actions have been started to find a suitable solution.

Meanwhile, the \$ 39,000 are transferred from the Police Bond Fund to the City's General Fund. Furthermore, the City Attorney was advised to contact the City Judge to find a solution to solve the issue with the approx. \$ 53,000 (transfer the appropriated amount to the City's General Fund).

If there are any further questions need to be answered, please feel free to contact me.

Sincerely,



Terry L. Gardner
Mayor

CC: Michael Fluhr, Acting City Clerk
Heather Feedback, Assistant City Clerk
Rocke Musgraves, Rec Director
Jeff Ellinwood, IT Director
Steve Cropper, Chief of Police

