

CITY OF SCOTT, LOUISIANA

Financial Report

Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Scott, Louisiana (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and the schedules of changes in net OPEB liability and related ratios, employer's share of net pension liability and employer pension contributions on pages 50 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The City has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying comparative statements, the Justice System Funding Schedule, LCDBG Schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on pages 60 through 61, 73 through 78, and 85 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these comparative statements, the Justice System Funding Schedule, LCDBG Schedules, and the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative information on the comparative statements has been derived from the City of Scott's 2022 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and, in our opinion were fairly presented in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the comparative detailed budget comparison schedules on pages 62 through 72 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023, on our consideration of the City of Scott, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 16, 2023

BASIC FINANCIAL STATEMENTS

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

CITY OF SCOTT, LOUISIANA

Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 8,806,630	\$ 2,235,548	\$ 11,042,178
Investments	2,423,744	123,351	2,547,095
Receivables, net	798,410	651,269	1,449,679
Internal balances	(345,978)	345,978	-
Due from other governmental units	92,084	52,010	144,094
Prepaid items	75,012	12,429	87,441
Total current assets	<u>11,849,902</u>	<u>3,420,585</u>	<u>15,270,487</u>
Noncurrent assets:			
Restricted assets:			
Interest-bearing deposits	398,680	199,983	598,663
Investments	-	162,757	162,757
Capital assets:			
Land and construction in progress	16,660,667	828,778	17,489,445
Other capital assets, net	26,829,607	14,463,632	41,293,239
Total noncurrent assets	<u>43,888,954</u>	<u>15,655,150</u>	<u>59,544,104</u>
Total assets	<u>55,738,856</u>	<u>19,075,735</u>	<u>74,814,591</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	2,517,342	93,149	2,610,491
Deferred outflows of resources related to net OPEB obligation	678,912	66,560	745,472
Total deferred outflows of resources	<u>3,196,254</u>	<u>159,709</u>	<u>3,355,963</u>
LIABILITIES			
Current liabilities			
Accounts and other payables	669,674	217,569	887,243
Contracts and retainage payable	1,718,743	22,010	1,740,753
Unearned revenue	1,729,339	64,440	1,793,779
Customers' deposits payable	-	257,024	257,024
Bonds payable	1,241,000	36,000	1,277,000
Accrued interest payable	123,029	2,719	125,748
Notes payable - short term	487,367	-	487,367
Total current liabilities	<u>5,969,152</u>	<u>599,762</u>	<u>6,568,914</u>
Noncurrent liabilities:			
Compensated absences payable	62,044	116	62,160
Notes payable	1,017,524	-	1,017,524
Bonds payable	16,816,293	559,863	17,376,156
Net OPEB obligation payable	1,643,623	161,140	1,804,763
Net pension liability	6,171,501	245,612	6,417,113
Total noncurrent liabilities	<u>25,710,985</u>	<u>966,731</u>	<u>26,677,716</u>
Total liabilities	<u>31,680,137</u>	<u>1,566,493</u>	<u>33,246,630</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	103,451	3,125	106,576
Deferred inflows of resources related to net OPEB obligation	122,790	12,038	134,828
Total deferred inflows of resources	<u>226,241</u>	<u>15,163</u>	<u>241,404</u>
NET POSITION			
Net investment in capital assets	22,209,347	14,710,537	36,919,884
Restricted for sales tax dedications	7,908,648	-	7,908,648
Restricted for debt service	497,040	66,997	564,037
Unrestricted (deficit)	(3,586,303)	2,876,254	(710,049)
Total net position	<u>\$ 27,028,732</u>	<u>\$ 17,653,788</u>	<u>\$ 44,682,520</u>

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

CITY OF SCOTT, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2023

Activities	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
					Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 2,018,576	\$ 810,918	\$ -	\$ -	\$ (1,207,658)	\$ -	\$ (1,207,658)
Public safety:							
Police	4,110,464	362,933	513,234	-	(3,234,297)	-	(3,234,297)
Fire	1,097,983	-	-	-	(1,097,983)	-	(1,097,983)
Streets	3,135,404	-	4,165	515,675	(2,615,564)	-	(2,615,564)
Culture and tourism	580,348	60,703	-	10,000	(509,645)	-	(509,645)
Interest on long-term debt	552,377	-	-	-	(552,377)	-	(552,377)
Total governmental activities	<u>11,495,152</u>	<u>1,234,554</u>	<u>517,399</u>	<u>525,675</u>	<u>(9,217,524)</u>	<u>-</u>	<u>(9,217,524)</u>
Business-type activities:							
Gas	488,185	594,886	-	-	-	106,701	106,701
Water	1,721,082	1,768,107	30,000	-	-	77,025	77,025
Sewer	792,961	929,616	-	378,000	-	514,655	514,655
Garbage	725,039	762,216	-	-	-	37,177	37,177
Total business-type activities	<u>3,727,267</u>	<u>4,054,825</u>	<u>30,000</u>	<u>378,000</u>	<u>-</u>	<u>735,558</u>	<u>735,558</u>
Total	<u>\$ 15,222,419</u>	<u>\$ 5,289,379</u>	<u>\$ 547,399</u>	<u>\$ 903,675</u>	<u>(9,217,524)</u>	<u>735,558</u>	<u>(8,481,966)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					377,905	-	377,905
Sales and use taxes, levied for general purposes					8,476,972	-	8,476,972
Franchise taxes					705,051	-	705,051
Grants and contributions not restricted to specific programs -							
State sources					16,177	-	16,177
Gain/(loss) on sale of assets					18,379	(9,545)	8,834
Non employer pension contribution					150,617	8,129	158,746
Interest and investment earnings					150,338	24,103	174,441
Miscellaneous					304,721	-	304,721
Transfers					<u>1,200,935</u>	<u>(1,200,935)</u>	<u>-</u>
Total general revenues and transfers					<u>11,401,095</u>	<u>(1,178,248)</u>	<u>10,222,847</u>
Change in net position					2,183,571	(442,690)	1,740,881
Net position - June 30, 2022					<u>24,845,161</u>	<u>18,096,478</u>	<u>42,941,639</u>
Net position - June 30, 2023					<u>\$ 27,028,732</u>	<u>\$ 17,653,788</u>	<u>\$ 44,682,520</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

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

Special Revenue Funds

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

1968 Sales Tax Fund -

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

1984 Sales Tax Fund -

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

Apollo Economic Development District Sales Tax Fund -

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

Capital Projects Funds

Street Construction Fund -

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

Debt Service Fund

Sales Tax Bonds Fund -

To accumulate monies for payment of Sales Tax Bonds issued by the City. Debt service is financed from the collection of the City's 1984, 1968, and Apollo Economic Development District sales tax.

Enterprise Fund

Utility Fund -

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

CITY OF SCOTT, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2023

	Apollo Economic Development District						Total
	General	1968 Sales Sales Tax Special Revenue	1984 Sales Sales Tax Special Revenue	Sales Tax Special Revenue	Street Construction	Sales Tax Bonds	
ASSETS							
Cash	\$ 103,772	\$ 840,969	\$ 348,330	\$ 264,313	\$ -	\$ -	\$ 1,557,384
Interest-bearing deposits	1,041,189	3,742,698	1,724,079	741,280	-	398,680	7,647,926
Investments	553,615	1,746,621	123,508	-	-	-	2,423,744
Receivables:							
Taxes	4,046	321,473	321,473	127,792	-	-	774,784
Accrued interest	-	1,245	1,245	491	-	-	2,981
Due from other funds	940,544	419,390	536,658	3,162,538	2,144,457	433,246	7,636,833
Due from other governmental units	-	92,084	-	-	-	-	92,084
Other	20,645	-	-	-	-	-	20,645
Prepaid items	72,734	330	1,948	-	-	-	75,012
Total assets	<u>\$ 2,736,545</u>	<u>\$ 7,164,810</u>	<u>\$ 3,057,241</u>	<u>\$ 4,296,414</u>	<u>\$ 2,144,457</u>	<u>\$ 831,926</u>	<u>\$ 20,231,393</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 135,536	\$ 136,571	\$ 32,010	\$ -	\$ 2,461	\$ -	\$ 306,578
Contracts payable	14,154	-	-	-	1,127,438	-	1,141,592
Retainage payable	29,681	-	-	-	547,470	-	577,151
Accrued liabilities	95,344	1,790	1,979	263,983	-	-	363,096
Due to other funds	795,957	1,950,512	2,120,198	375,429	2,528,858	211,857	7,982,811
Unearned revenue	4,272	1,725,067	-	-	-	-	1,729,339
Total liabilities	<u>1,074,944</u>	<u>3,813,940</u>	<u>2,154,187</u>	<u>639,412</u>	<u>4,206,227</u>	<u>211,857</u>	<u>12,100,567</u>
Fund balances -							
Nonspendable (prepaid items)	72,734	330	1,948	-	-	-	75,012
Restricted - sales tax dedications	-	3,350,540	901,106	3,657,002	-	-	7,908,648
Restricted - debt service	-	-	-	-	-	620,069	620,069
Unassigned	1,588,867	-	-	-	(2,061,770)	-	(472,903)
Total fund balances	<u>1,661,601</u>	<u>3,350,870</u>	<u>903,054</u>	<u>3,657,002</u>	<u>(2,061,770)</u>	<u>620,069</u>	<u>8,130,826</u>
Total liabilities and fund balances	<u>\$ 2,736,545</u>	<u>\$ 7,164,810</u>	<u>\$ 3,057,241</u>	<u>\$ 4,296,414</u>	<u>\$ 2,144,457</u>	<u>\$ 831,926</u>	<u>\$ 20,231,393</u>

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

CITY OF SCOTT, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Total fund balances for governmental funds at June 30, 2023		\$ 8,130,826
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, net		43,490,274
Deferred outflows of expenditures are not a use of current resources, and therefore, are not reported in the funds.		
Deferred outflows of resources - pension	\$ 2,517,342	
Deferred outflows of resources - OPEB	<u>678,912</u>	3,196,254
Long-term liabilities at June 30, 2023:		
Bonds payable	(18,057,293)	
Notes payable	(1,504,891)	
Accrued interest payable	(123,029)	
Compensated absences	(62,044)	
Net OPEB obligation	(1,643,623)	
Net pension liability	<u>(6,171,501)</u>	(27,562,381)
The deferred inflows of contributions are not available resources, and therefore, are not reported in the funds		
Deferred inflows of resources - pension	(103,451)	
Deferred inflows of resources - OPEB	<u>(122,790)</u>	<u>(226,241)</u>
Total net position of governmental activities at June 30, 2023		<u>\$ 27,028,732</u>

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

CITY OF SCOTT, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2023

	General	1968 Sales Sales Tax Special Revenue	1984 Sales Sales Tax Special Revenue	Apollo Economic Development District Sales Tax Special Revenue	Street Construction	Sales Tax Bonds	Total
Revenues:							
Taxes	\$ 1,082,956	\$ 3,582,337	\$ 3,582,337	\$ 1,312,298	\$ -	\$ -	\$ 9,559,928
Licenses and permits	810,918	-	-	-	-	-	810,918
Intergovernmental	454,159	605,092	-	-	-	-	1,059,251
Fines and forfeits	362,933	-	-	-	-	-	362,933
Miscellaneous	370,182	87,148	55,655	15,502	3,681	2,004	534,172
Total revenues	<u>3,081,148</u>	<u>4,274,577</u>	<u>3,637,992</u>	<u>1,327,800</u>	<u>3,681</u>	<u>2,004</u>	<u>12,327,202</u>
Expenditures:							
Current -							
General government	1,722,703	57,038	114,101	13,269	-	-	1,907,111
Public safety:							
Police	3,156,730	-	-	-	-	-	3,156,730
Fire	-	-	838,323	-	-	-	838,323
Streets	1,143,569	790,321	122,145	-	-	-	2,056,035
Culture and tourism	526,421	-	-	-	-	-	526,421
Capital outlay	1,025,618	779,510	1,686,032	300,000	3,999,536	-	7,790,696
Debt service -							
Principal retirement	-	-	493,355	-	-	960,000	1,453,355
Interest, bond issuance, and agent fees	-	-	26,653	-	-	533,023	559,676
Total expenditures	<u>7,575,041</u>	<u>1,626,869</u>	<u>3,280,609</u>	<u>313,269</u>	<u>3,999,536</u>	<u>1,493,023</u>	<u>18,288,347</u>
Excess (deficiency) of revenues over expenditures	<u>(4,493,893)</u>	<u>2,647,708</u>	<u>357,383</u>	<u>1,014,531</u>	<u>(3,995,855)</u>	<u>(1,491,019)</u>	<u>(5,961,145)</u>
Other financing sources (uses):							
Proceeds from issuance of debt	-	-	1,652,293	-	-	-	1,652,293
Transfers in	4,100,000	7,197	-	-	-	1,494,424	5,601,621
Transfers out	-	(1,396,398)	(2,249,852)	(747,239)	(7,197)	-	(4,400,686)
Total other financing sources (uses)	<u>4,100,000</u>	<u>(1,389,201)</u>	<u>(597,559)</u>	<u>(747,239)</u>	<u>(7,197)</u>	<u>1,494,424</u>	<u>2,853,228</u>
Net changes in fund balances	(393,893)	1,258,507	(240,176)	267,292	(4,003,052)	3,405	(3,107,917)
Fund balances, beginning	<u>2,055,494</u>	<u>2,092,363</u>	<u>1,143,230</u>	<u>3,389,710</u>	<u>1,941,282</u>	<u>616,664</u>	<u>11,238,743</u>
Fund balances, ending	<u>\$ 1,661,601</u>	<u>\$ 3,350,870</u>	<u>\$ 903,054</u>	<u>\$3,657,002</u>	<u>\$ (2,061,770)</u>	<u>\$ 620,069</u>	<u>\$ 8,130,826</u>

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

CITY OF SCOTT, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023

Total net changes in fund balances at June 30, 2023 per
statement of revenues, expenditures and changes in fund balances \$(3,107,917)

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

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

Capital outlay	\$ 7,790,696	
Loss on sale of capital assets	(31)	
Depreciation expense	<u>(1,623,496)</u>	6,167,169

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

Proceeds on issuance of long-term debt	(1,652,293)	
Principal payments	<u>1,453,355</u>	(198,938)

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

Non-employer pension contributions		150,617
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Some expenses reported in the statement of activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in the governmental funds.

Interest expense	7,299	
Compensated absences	(9,528)	
OPEB expense	(128,308)	
Pension expense	<u>(696,823)</u>	<u>(827,360)</u>

Total changes in net position for the year ended June 30, 2023 per statement of activities		<u>\$ 2,183,571</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Statement of Net Position
 Proprietary Fund
 June 30, 2023

	Utility Fund
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,235,548
Investments	123,351
Receivables -	
Accounts, net	399,379
Unbilled utility receivables	251,890
Due from other governmental units	52,010
Due from other funds	1,979,446
Prepaid items	<u>12,429</u>
Total current assets	<u>5,054,053</u>
Noncurrent assets:	
Restricted assets -	
Interest-bearing deposits	199,983
Investments	162,757
Capital assets -	
Land and construction in progress	828,778
Other capital assets, net of accumulated depreciation	<u>14,463,632</u>
Total noncurrent assets	<u>15,655,150</u>
Total assets	<u>20,709,203</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	93,149
Deferred outflows of resources related to net OPEB obligation	<u>66,560</u>
Total deferred outflows of resources	<u>159,709</u>
LIABILITIES	
Current liabilities:	
Accounts payable	210,026
Retainage payable	22,010
Accrued liabilities	7,543
Unearned revenue	64,440
Due to other funds	1,633,468
Payable from restricted assets -	
Customers' deposits payable	257,024
Water revenue bonds payable	36,000
Accrued interest payable	<u>2,719</u>
Total current liabilities	<u>2,233,230</u>
Noncurrent liabilities:	
Compensated absences payable	116
Water revenue bonds payable	559,863
Net OPEB obligation payable	161,140
Net pension liability	<u>245,612</u>
Total noncurrent liabilities	<u>966,731</u>
Total liabilities	<u>3,199,961</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	3,125
Deferred inflows of resources related to net OPEB obligation	<u>12,038</u>
Total deferred inflows of resources	<u>15,163</u>
NET POSITION	
Net investment in capital assets	14,710,537
Restricted for debt service	66,997
Unrestricted	<u>2,876,254</u>
Total net position	<u>\$ 17,653,788</u>

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

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenses, and Change in Fund Net Position -
 Proprietary Fund
 For the Year Ended June 30, 2023

	<u>Utility Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 521,116
Water service charges	1,636,287
Sewer service charges	831,511
Garbage service charges	749,716
Penalties, permits and connection fees	<u>316,195</u>
Total operating revenues	<u>4,054,825</u>
Operating expenses:	
Salaries	258,534
Retirement benefit	38,361
OPEB benefit	12,580
Gas and water purchases	1,214,548
Garbage collection fees	725,039
Supplies and repairs	479,508
Utilities and telephone	94,013
Professional fees	48,565
General insurance	85,849
Group health insurance	60,151
Office expense	32,075
Payroll taxes	19,263
Truck expenses	17,257
Training	18,828
Uniforms	1,628
Depreciation expense	<u>605,898</u>
Total operating expenses	<u>3,712,097</u>
Operating income	<u>342,728</u>

(continued)

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2023

	<u>Utility Fund</u>
Nonoperating revenues (expenses):	
State grant	30,000
Nonemployer pension contribution	8,129
Interest income	24,103
Loss on sale of assets	(9,545)
Interest expense	<u>(15,170)</u>
Total nonoperating revenues (expenses)	<u>37,517</u>
 Income before transfers and capital contributions	 <u>380,245</u>
Transfers:	
Transfers in	999,065
Transfers out	<u>(2,200,000)</u>
Total transfers	<u>(1,200,935)</u>
 Capital contributions	 <u>378,000</u>
 Change in net position	 <u>(442,690)</u>
 Net position, beginning	 <u>18,096,478</u>
 Net position, ending	 <u>\$17,653,788</u>

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

CITY OF SCOTT, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2023

	Utility Fund
Cash flows from operating activities:	
Receipts from customers	\$3,932,043
Payments to suppliers	(2,759,589)
Payments to employees	<u>(378,506)</u>
Net cash provided by operating activities	<u>793,948</u>
Cash flows from noncapital financing activities:	
Cash received from other funds	55,255
Transfers from other funds	875,000
Transfers to other funds	<u>(2,200,000)</u>
Net cash used by noncapital financing activities	<u>(1,269,745)</u>
Cash flows from capital and related financing activities:	
Payment on water revenue bonds	(35,000)
Interest on water revenue bonds	(15,313)
Acquisition of property, plant and equipment	<u>(232,152)</u>
Net cash used by capital and related financing activities	<u>(282,465)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	2,113,828
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(2,114,546)
Interest on investments	<u>24,103</u>
Net cash provided by investing activities	<u>23,385</u>
Net decrease in cash and cash equivalents	(734,877)
Cash and cash equivalents, beginning of period	<u>1,342,689</u>
Cash and cash equivalents, end of period	<u>\$ 607,812</u>

(continued)

CITY OF SCOTT, LOUISIANA

Statement of Cash Flows
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2023

	Utility Fund
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 342,728
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	605,898
Pension and OPEB benefit	14,246
Changes in current assets and liabilities:	
Increase in accounts receivable	(21,706)
Increase in unbilled utility receivables	(125,911)
Decrease in prepaid items	2,680
Decrease in accounts payable	(44,959)
Decrease in accrued liabilities	(3,763)
Increase in customer deposits	21,375
Increase in unearned revenue	3,460
Decrease in compensated absences payable	(100)
Net cash provided by operating activities	<u>\$ 793,948</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Interest-bearing deposits - unrestricted	3,005,257
Interest-bearing deposits - restricted	152,179
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,814,747)</u>
Total cash and cash equivalents, beginning of period	<u>1,342,689</u>
Cash and cash equivalents, end of period -	
Interest-bearing deposits - unrestricted	2,235,548
Interest-bearing deposits - restricted	199,983
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,827,719)</u>
Total cash and cash equivalents, end of period	<u>607,812</u>
Net decrease in cash and cash equivalents	<u>\$ (734,877)</u>

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Scott (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City of Scott was incorporated under the provisions of the Lawrason Act. The City operates under the Mayor-Board of Aldermen form of government.

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

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

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

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

The major funds of the City are described below:

Governmental Funds -

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds -

1968 Sales Tax Fund -

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

1984 Sales Tax Fund -

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

Apollo Economic Development District Sales Tax Fund -

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Projects Funds –

Street Construction Fund –

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

Debt Service Fund –

Sales Tax Bonds Fund –

The Sales Tax Bonds Fund is used to accumulate monies for payment of \$10,000,000 of Sales Tax Bonds, Series 2012, \$10,000,000 of Sales Tax Bonds, Series 2020, \$2,000,000 of Taxable Sales Tax Bonds, Series 2020A, and \$1,652,293 of Sales Tax Bonds, Series 2023. Debt service is financed from the collection of the City's 1968 and 1984 1% sales taxes and the Apollo Economic Development District sales tax.

Proprietary Fund -

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City of Scott's enterprise fund is the Utility Fund.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

Basis of Accounting

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

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

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

Program revenues

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Allocation of indirect expenses

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

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

Cash, interest-bearing deposits, and investments

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

For the purpose of the proprietary fund statement of cash flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund receivables and payables

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

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer’s utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers’ utility receivables was \$17,292 at June 30, 2023. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

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

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

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

Restricted Assets

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

Long-term debt

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

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. All full-time employees are allowed 48 hours of annual sick leave. All unused sick leave may be carried over, with 30 percent of the accumulated balance payable at termination of employment. At June 30, 2023, the City has \$62,160 of noncurrent accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences".

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the City's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. At June 30, 2023, the City reported \$8,472,685 of restricted net position, \$7,908,648 of which was restricted by enabling legislation.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the two components and is available for general use by the City.

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

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the City’s Mayor and Board of Aldermen, which is the highest level of decision-making authority for the City. Commitments may be established, modified or rescinded only through ordinances or resolutions approved by the Board of Alderman.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the City’s Mayor and Board of Aldermen.
- e. Unassigned – all other spendable amounts.

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

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

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

G. Use of Estimates

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

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2023, taxes were levied by the City in July 2022 and were billed to taxpayers by the Assessor in November 2022. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. City property tax revenues are budgeted in the year billed.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2023, taxes of 4.47 mills were levied on property with assessed valuations totaling \$84,542,655 and were dedicated to general corporate purposes. Total taxes levied were \$377,905. Taxes receivable at June 30, 2023 was \$4,046, which was current.

(3) Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the City of Scott beginning June 22, 1968 (2023 collections \$3,582,337) are dedicated to the following purposes:

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

Proceeds of a 1% sales and use tax levied by the City of Scott beginning April 1, 1984 (2023 collections \$3,582,337) are dedicated to the following purposes:

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

Proceeds of a 1% sales and use tax levied by the City of Scott beginning December 1, 2007 on businesses located in the Apollo Road Economic Development District (2023 collections \$1,312,298) are dedicated for financing economic development projects in the District.

(4) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2023, the City had cash and interest-bearing deposits (book balances) totaling \$11,640,841 as follows:

Demand deposits	\$ 74,085
Money market accounts	4,357,251
Time deposits	<u>7,209,505</u>
Total	<u>\$11,640,841</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Deposit balances (bank balances) at June 30, 2023, are secured as follows:

Bank balances	<u>\$ 11,950,034</u>
Federal deposit insurance	\$ 750,000
Pledged securities	<u>11,200,034</u>
Total	<u>\$ 11,950,034</u>

Deposits in the amount of \$11,200,034 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. The City does not have a policy for custodial credit risk.

B. Investments

The City participates in the Louisiana Asset Management Pool (LAMP), a local government investment pool. As of June 30, 2023, investments in LAMP amounted to \$2,709,852.

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

- a. Credit risk: LAMP is rated AAAM by Standard & Poors.
- b. Custodial credit risk: In accordance with GASB Codification Section 150.128, the investment in LAMP is not exposed to custodial credit risk because LAMP participants' investments in the pool are evidenced by shares of the pool and, therefore, not evidenced by securities that exist in physical or book entry form. The City's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- c. Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- d. Inherent rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 56 days as of June 30, 2023.
- e. Foreign currency risk: Not applicable to 2a7-like securities.

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

(5) Receivables

Receivables at June 30, 2023 of \$1,449,679 consist of the following:

	General	1968 Sales Tax	1984 Sales Tax	Apollo EDD Sales Tax	Utility	Total
Accounts, net	\$ -	\$ -	\$ -	\$ -	\$ 399,379	\$ 399,379
Unbilled utility	-	-	-	-	251,890	251,890
Taxes:						
Ad valorem	4,046	-	-	-	-	4,046
Sales tax	-	321,473	321,473	127,792	-	770,738
Other	20,645	-	-	-	-	20,645
Interest	-	1,245	1,245	491	-	2,981
Totals	<u>\$24,691</u>	<u>\$ 322,718</u>	<u>\$ 322,718</u>	<u>\$ 128,283</u>	<u>\$ 651,269</u>	<u>\$ 1,449,679</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2023 consisted of the following:

Fund financial statements:

Governmental Funds:

State of Louisiana:

Federal grant funds \$ 92,084

Proprietary Funds -

State of Louisiana

Federal grant funds \$ 52,010

Government-wide financial statements:

Total amount reported in -

Governmental Funds, from above \$ 92,084

Proprietary Funds, from above 52,010

Total amounts due from other governments \$ 144,094

(7) Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance 06/30/22	Additions	Deletions	Balance 06/30/23
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,703,674	\$ 1,595,000	\$ -	\$ 3,298,674
Construction in progress	9,322,425	5,707,382	1,667,814	13,361,993
Other capital assets:				
Buildings and improvements	7,911,331	10,900	-	7,922,231
Infrastructure	33,044,298	429,606	93,904	33,380,000
Equipment, furniture and fixtures	5,245,319	1,715,622	-	6,960,941
Totals	<u>57,227,047</u>	<u>9,458,510</u>	<u>1,761,718</u>	<u>64,923,839</u>
Less accumulated depreciation				
Buildings and improvements	2,506,040	214,069	-	2,720,109
Infrastructure	14,430,840	618,369	93,873	14,955,336
Equipment, furniture and fixtures	2,967,062	791,058	-	3,758,120
Total accumulated depreciation	<u>19,903,942</u>	<u>1,623,496</u>	<u>93,873</u>	<u>21,433,565</u>
Governmental activities, capital assets, net	<u>\$ 37,323,105</u>	<u>\$ 7,835,014</u>	<u>\$ 1,667,845</u>	<u>\$ 43,490,274</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

	Balance 06/30/22	Additions	Deletions	Balance 06/30/23
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 50,420	\$ -	\$ -	\$ 50,420
Construction in progress - water and sewer systems projects	1,215,084	903,782	1,340,508	778,358
Other capital assets:				
Gas system	1,070,698	-	29,275	1,041,423
Water system	8,283,342	-	-	8,283,342
Sewer system	13,687,981	1,478,229	7,183	15,159,027
Machinery and equipment	1,055,699	-	46,116	1,009,583
Totals	<u>25,363,224</u>	<u>2,382,011</u>	<u>1,423,082</u>	<u>26,322,153</u>
Less accumulated depreciation				
Gas system	976,728	5,201	-	981,929
Water system	3,448,137	240,005	-	3,688,142
Sewer system	5,540,548	305,289	-	5,845,837
Machinery and equipment	531,460	55,403	73,028	513,835
Total accumulated depreciation	<u>10,496,873</u>	<u>605,898</u>	<u>73,028</u>	<u>11,029,743</u>
Business-type activities, capital assets, net	<u>\$ 14,866,351</u>	<u>\$ 1,776,113</u>	<u>\$ 1,350,054</u>	<u>\$ 15,292,410</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 79,034
Police	269,078
Fire	201,034
Streets	1,020,423
Culture and recreation	53,927
Total depreciation expense	<u>\$ 1,623,496</u>

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

Gas	\$ 5,201
Water	240,005
Sewer	360,692
Total depreciation expense	<u>\$ 605,898</u>

(8) Restricted Assets

Restricted assets in the governmental funds at June 30, 2023 consisted \$398,680 restricted for debt service payments. Restricted assets in the proprietary fund at June 30, 2023 consisted of water revenue bond debt service, reserve, and depreciation and contingencies funds of \$105,716 and amounts owed to customers for utility deposits in the amount of \$257,024.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Accounts and Other Payables

The accounts and other payables of \$887,243 consisted of the following at June 30, 2023:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 306,578	\$ 210,026	\$ 516,604
Accrued liabilities	<u>363,096</u>	<u>7,543</u>	<u>370,639</u>
Totals	<u>\$ 669,674</u>	<u>\$ 217,569</u>	<u>\$ 887,243</u>

(10) Unearned Revenue

Unearned revenue at June 30, 2023 consists of the following:

Governmental activities:

Governmental funds -

Amount received from Entergy, for weatherization of citizens' homes, which has not yet been spent as of June 30, 2023	\$ 2,839
Amount received from unsettled police narcotics cases as of June 30, 2023	1,433
Unspent grant proceeds received through the American Rescue Plan Act	<u>1,725,067</u>
Total governmental activities	1,729,339

Business-type activities: Utility Fund -

Amount billed in June 2023 for garbage service revenues for July 2023	<u>64,440</u>
Total unearned revenue	<u>\$ 1,793,779</u>

Unearned revenue of \$1,725,067 at June 30, 2023 consists of federal awards received under the American Rescue Plan Act (ARPA). The ARPA established the Coronavirus State and Local Fiscal Recovery Funds on March 11, 2022, to provide governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery. The City is required to spend these funds in accordance with the assistance listing 21.027 guidance. These funds must be obligated by December 31, 2024 and expended by December 31, 2026.

As of June 30, 2023, the city has expended \$1,488,629 of the \$3,213,696 received from the ARPA.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Changes in Long-Term Liabilities

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2023:

	Long-Term Debt			Other Liabilities
	General Obligation Bonds	Water Revenue Bonds	Notes Payable	Compensated Absences
Long-term debt as of July 1, 2022	\$17,365,000	\$ 630,863	\$2,002,698	\$ 52,732
Additions	1,652,293	-	-	12,443
Retirements	(960,000)	(35,000)	(497,807)	(3,015)
Long-term debt as of June 30, 2023	<u>\$18,057,293</u>	<u>\$ 595,863</u>	<u>\$1,504,891</u>	<u>\$ 62,160</u>

Long-term debt payable at June 30, 2023 is comprised of the following:

Governmental activities:

		<u>Current</u>
Direct borrowing general obligation bonds -		
\$10,000,000 Public Improvement Sales Tax Bonds, Series 2012, due in annual installments of \$365,000 to \$665,000 through December 1, 2032; interest at 2.5 to 4.0 percent; payable from Apollo Economic Development District sales tax revenues	\$ 5,790,000	\$ 500,000
\$10,000,000 Public Improvement Sales Tax Bonds, Series 2020, due in annual installments of \$375,000 to \$650,000 through December 1, 2032; interest at 2.77 percent; payable from 1968 sales tax revenues	8,845,000	405,000
\$2,000,000 Public Improvement Sales Tax Bonds, Series 2020A, due in annual installments of \$75,000 to \$130,000 through December 1, 2032; interest at 2.5 to 4.0 percent; payable from 1968 sales tax revenues	1,770,000	80,000
\$1,652,293 draw down Sales Tax Bonds, Series 2023, due in annual installments of \$256,000 to \$348,000, through May 1, 2033; interest at 3.91%; payable from 1984 sales tax revenues	<u>1,652,293</u>	<u>256,000</u>
	<u>\$18,057,293</u>	<u>\$ 1,241,000</u>

In accordance with the Series 2023 issuing ordinance, the bond proceeds are maintained by the paying agent in a special fund to be known as the "City of Scott Sales Tax Bonds, Series 2023 - Construction Fund". The paying agent releases the funds to the city as requested. As of June 30, 2023, the City has \$1,347,707 remaining to be drawn.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Notes payable-	<u>Current</u>	
\$227,887 Note payable to Scott Financial Services, for the lease-purchase of a street sweeper, due in monthly installments of \$4,255 through 2/1/27, bearing interest at 4.5%, payable from any non-restricted revenues of the City.	\$ 164,186	\$ 40,499
\$778,898 Note payable to Republic First National for the purchase of a Ferrara Aerial firetruck, due in annual installments of \$188,193 to \$201,355 through 8/1/25, bearing interest at 2.279%, payable from any non-restricted revenues of the City.	590,705	196,868
Note payable of \$1,013,000 for the purchase of a public safety building, due in annual installments of \$250,000 to \$263,000 through 8/22/25, bearing no interest, payable from any non-restricted revenues of the City.	<u>750,000</u>	<u>250,000</u>
	<u>\$ 1,504,891</u>	<u>\$ 487,367</u>

Business-type activities:

Direct borrowing water revenue bonds -

\$782,863 Taxable Water Revenue Bonds, Series 2016, due in annual installments of \$20,000 to \$49,863 through November 1, 2036; interest at 1.95 percent; payable from water utility revenues	<u>\$ 595,863</u>	<u>\$ 36,000</u>
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The debt is due as follows:

Year Ending June 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2024	1,728,367	383,989	36,000	14,157
2025	1,777,274	353,135	37,000	13,263
2026	1,818,689	320,240	38,000	12,345
2027	1,394,561	286,425	39,000	11,402
2028	1,413,000	257,053	40,000	10,434
2029 - 2033	6,405,293	1,295,298	215,000	36,794
2034 - 2038	3,485,000	529,415	190,863	9,508
2039 - 2040	<u>1,540,000</u>	<u>66,884</u>	-	-
Total	<u>\$ 19,562,184</u>	<u>\$3,492,439</u>	<u>\$595,863</u>	<u>\$107,903</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Sales Tax Revenues:

Apollo Economic Development District Sales Tax Revenues

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

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

1968 Sales Tax Revenues

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

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

1984 Sales Tax Revenues

Under the terms of the bond indenture on outstanding sales tax bonds, Series 2023, the City must ensure that the 1984 sales tax fund has sufficient excess revenues to pay debt service as and when due. As a result, the City is required to maintain a separate account within the debt service fund that is designated as the "1984 Sales Tax Sinking Fund". Each month, there will be set aside into the fund an amount constituting 1/12th of the next maturing installment of principal and 1/6th of the interest due on the next interest payment date. Such transfers shall be fully sufficient to assure the prompt payment of the principal and interest installments as they become due and may be used only for such payments.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Utility Revenues:

Water Utility Revenues

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

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

The City of Scott was in compliance with all significant limitations and restrictions in the various bond indentures and ordinances as of June 30, 2023.

(13) Post Employment Health Care and Life Insurance Benefits

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

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Employees covered by benefit terms – At June 30, 2023, the following employees were covered by the benefit terms:

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

Total OPEB Liability

The City's total OPEB liability of \$1,804,763 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, including inflation
Discount rate	3.54% annually beginning of the year, 3.65% annually end of year
Healthcare cost trend rates	5.5% annually until 2032, 4.5% thereafter, 3% in Medicare

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2023, the end of the applicable measurement period.

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

Changes in the Total OPEB Liability

OPEB liability at June 30, 2022	\$1,711,981
Changes for the year:	
Service Cost	31,334
Interest	61,159
Differences between expected and actual experience	67,604
Changes of assumptions	(25,774)
Benefit payments and net transfers	<u>(41,541)</u>
Net changes	92,782
OPEB liability at June 30, 2023	<u>\$1,804,763</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	<u>\$2,078,946</u>	<u>\$ 1,804,763</u>	<u>\$ 1,582,289</u>

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

	1% Decrease (4.5%)	Current Trend (5.5%)	1% Increase (6.5%)
Total OPEB liability	<u>\$1,578,636</u>	<u>\$ 1,804,763</u>	<u>\$ 2,081,820</u>

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$182,433. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 587,198	\$ 20,988
Changes in assumptions	<u>158,274</u>	<u>113,840</u>
Total	<u>\$ 745,472</u>	<u>\$ 134,828</u>

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

Year Ended	
June 30	
2024	\$ 89,939
2025	89,939
2026	89,939
2027	64,037
2028	41,419
Thereafter	<u>235,371</u>
Total	<u>\$ 610,644</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) Pension Plans

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

Plan Descriptions:

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

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

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

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

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

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

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

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

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Contributions

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

Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2023 for the defined benefit pension plans in which the City is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Nonemployer Contributing Entities</u>	<u>Government Contributions</u>
MERS	5.00%	15.50%	\$ 38,711	\$ 176,176
MPERS	10.00%	31.25%	107,373	418,999
FRS	10.00%	33.75%	12,662	38,564

Net Pension Liability

The City's net pension liability at June 30, 2023 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2022 for all plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the City's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$1,169,583	1.332124%	0.045844%
MPERS	4,933,867	0.482680%	0.032439%
FRS	313,663	0.044483%	0.007897%
Total	<u>\$6,417,113</u>		

Since the measurement date of the net pension liability was June 30, 2022, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for those fiscal years.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

Actuarial Assumptions

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

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

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

Cost of Living Adjustments

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS was 6.85%, which was no change from the prior valuation. The discount rate used to measure the total pension liability for MPERS was 6.75%, which was no change from the prior valuation. The discount rate used to measure the total pension liability for FRS was 6.90% which was no change from the prior year.

Long-term Rate of Return

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

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

Asset Class	MERS		MPERS		FRS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	38%	1.65%	30.5%	0.85%	26%	1.45%
Public Equity	53%	2.31%	55.5%	3.60%	56%	6.32%
Alternative	9%	0.39%	14.0%	0.95%	18%	6.15%
Real Estate	-	-	-	-	0%	3.14%
Totals	<u>100%</u>	<u>4.35%</u>	<u>100%</u>	<u>5.40%</u>	<u>100%</u>	<u>17.06%</u>
Inflation		<u>2.60%</u>		<u>2.66%</u>		<u>2.50%</u>
Expected nominal return		<u>6.95%</u>		<u>8.06%</u>		<u>19.56%</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2023, the City recognized \$125,364, \$393,466 and \$45,250 in pension expense related to the MERS, MPERS and FRS defined benefit plans, respectively.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			
	MERS	MPERS	FRS	Total
Difference between expected and actual experience	\$ -	\$ 24,334	\$ 1,875	\$ 26,209
Changes of assumptions	12,506	170,191	25,864	208,561
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	256,338	1,240,407	245,237	1,741,982
Contributions subsequent to the measurement date	<u>176,176</u>	<u>418,999</u>	<u>38,564</u>	<u>633,739</u>
Total	<u>\$ 445,020</u>	<u>\$ 1,853,931</u>	<u>\$ 311,540</u>	<u>\$ 2,610,491</u>

	Deferred Inflows of Resources			
	MERS	MPERS	FRS	Total
Difference between expected and actual experience	\$ 14,881	\$ 40,213	\$ 14,784	\$ 69,878
Change in assumptions	-	36,698	-	36,698
Total	<u>\$ 14,881</u>	<u>\$ 76,911</u>	<u>\$ 14,784</u>	<u>\$ 106,576</u>

Deferred outflows of resources of \$633,739 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2023.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended June 30	MERS	MPERS	FRS	Total
2024	\$ 81,035	\$ 434,891	\$ 56,733	\$ 572,659
2025	53,263	343,642	51,675	448,580
2026	23,189	117,449	45,140	185,778
2027	96,476	462,039	75,461	633,976
2028	-	-	24,166	24,166
2029	-	-	5,017	5,017
Total	<u>\$ 253,963</u>	<u>\$ 1,358,021</u>	<u>\$ 258,192</u>	<u>\$ 1,870,176</u>

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

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

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.85%	\$1,594,364	\$ 1,169,583	\$ 810,319
MPERS	6.75%	6,906,469	4,933,867	3,286,091
FRS	6.90%	464,029	313,663	188,246
Total		<u>\$8,964,862</u>	<u>\$ 6,417,113</u>	<u>\$ 4,284,656</u>

Payables to the Pension Plans

At June 30, 2023, the City’s payables MERS, MPERS and FRS were \$20,260, \$49,654 and \$4,492, respectively, which were the contractually required contributions payable for the month of June 2023.

(15) On-Behalf Payment of Salaries

During the year ended June 30, 2023, the City recognized \$186,352 as a revenue and expenditure for on-behalf salary payments received from the State of Louisiana.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) Utility Fund Contracts

- A. The City, under contract dated October 1, 1991, is required to purchase its natural gas from Louisiana Municipal Natural Gas Purchasing and Distribution Authority. Termination of the contract requires a six-month notice. The City purchased natural gas during the year ended June 30, 2023 in the amount of \$174,240, of which \$4,775 was owed for purchases for the month of June 2023.
- B. The City, under a contract dated June 1, 1997, is required to purchase its water from the City of Lafayette. The City purchased water during the fiscal year ended June 30, 2023 in the amount of \$1,040,308, of which \$94,685 was owed for purchases for the month of June 2023.

(17) Litigation and Claims

At June 30, 2023, the City is involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability to the City in excess of insurance coverage.

(18) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2023 follows:

Jan-Scott Richard, Mayor	\$ 86,756
Aldermen:	
Mark Moreau	17,828
Doyle Boudreaux	12,735
Lee Domingue	12,735
Terry Montoucet	12,735
Blaine Roy	12,735
Total	<u>\$ 155,524</u>

(19) Risk Management

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

The schedule of compensation, benefits, and other payments to Jan-Scott Richard, Mayor, for the year ended June 30, 2023 follows:

Salary	\$ 86,756
Benefits - insurance	7,791
Benefits - retirement	13,447
Car allowance	7,200
Auto expense	3,846
Registration fees	325
Conference travel	49
Phone	900
Total	<u>\$ 120,314</u>

(21) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2023:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major funds:		
Governmental funds -		
General Fund	\$ 940,544	\$ 795,957
1968 Sales Tax Special Revenue Fund	419,390	1,950,512
1984 Sales Tax Special Revenue Fund	536,658	2,120,198
Apollo EDD Sales Tax Special Revenue Fund	3,162,538	375,429
Street Construction Fund	2,144,457	2,528,858
Sales Tax Bonds Fund	433,246	211,857
Proprietary Fund -		
Utility Fund	<u>1,979,446</u>	<u>1,633,468</u>
Total	<u>\$ 9,616,279</u>	<u>\$ 9,616,279</u>

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

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Transfers

Interfund transfers consisted of the following for the year ended June 30, 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
Governmental funds -		
General Fund	\$ 4,100,000	\$ -
1968 Sales Tax Special Revenue Fund	7,197	1,396,398
1984 Sales Tax Special Revenue Fund	-	2,249,852
Apollo EDD Sales Tax Special Revenue Fund	-	747,239
Capital Projects Fund	-	7,197
Sales Tax Bonds Fund	1,494,424	-
Proprietary Fund -		
Enterprise Fund	<u>999,065</u>	<u>2,200,000</u>
Total	<u>\$ 6,600,686</u>	<u>\$ 6,600,686</u>

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

(22) Deficit Fund Balance

A deficit fund balance of \$2,061,770 exists in the Street Construction Capital Projects Fund. The City plans to reduce the deficit fund balance with a transfer from its 1968 Sales Tax Fund and its Apollo Economic Development District Sales Tax Fund.

(23) Net Position

Net position is presented as net investment in capital assets, restricted, and unrestricted on the City's government-wide statement of net position. The City's net position is affected by transactions that resulted in the recognition of deferred outflow of resources and deferred inflow of resources, and the difference between the deferred outflow of resources and deferred inflow of resources and the balance of the related asset or liability is significant. As discussed in Notes 13 and 14, the City's recognition of net pension liability and OPEB obligations in accordance with GASBS Nos. 68 and 75, respectively, significantly affected the City's unrestricted component of net position as of June 30, 2023.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Budget		Actual	Variance with
	Original	Final		Final Budget
				(Negative)
Revenues:				
Taxes	\$ 1,048,000	\$ 1,046,786	\$1,082,956	\$ 36,170
Licenses and permits	543,330	826,184	810,918	(15,266)
Intergovernmental	523,022	498,461	454,159	(44,302)
Fines and forfeits	405,000	385,553	362,933	(22,620)
Miscellaneous	166,410	218,770	370,182	151,412
Total revenues	<u>2,685,762</u>	<u>2,975,754</u>	<u>3,081,148</u>	<u>105,394</u>
Expenditures:				
Current -				
General government	1,333,268	1,599,412	1,722,703	(123,291)
Public safety -				
Police	3,576,144	3,253,716	3,156,730	96,986
Streets	1,088,025	1,107,544	1,143,569	(36,025)
Culture and tourism	482,328	459,895	526,421	(66,526)
Capital outlay	946,400	996,570	1,025,618	(29,048)
Total expenditures	<u>7,426,165</u>	<u>7,417,137</u>	<u>7,575,041</u>	<u>(157,904)</u>
Deficiency of revenues over expenditures	(4,740,403)	(4,441,383)	(4,493,893)	(52,510)
Other financing sources:				
Transfers in	<u>3,810,000</u>	<u>3,550,000</u>	<u>4,100,000</u>	<u>550,000</u>
Net change in fund balance	(930,403)	(891,383)	(393,893)	497,490
Fund balance, beginning	<u>2,055,494</u>	<u>2,055,494</u>	<u>2,055,494</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,125,091</u>	<u>\$ 1,164,111</u>	<u>\$1,661,601</u>	<u>\$ 497,490</u>

See notes to required supplementary information.

CITY OF SCOTT, LOUISIANA
1968 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 3,600,000	\$ 3,555,763	\$ 3,582,337	\$ 26,574
Intergovernmental	3,384,921	515,528	605,092	89,564
Miscellaneous - interest	9,500	79,234	87,148	7,914
Total revenues	<u>6,994,421</u>	<u>4,150,525</u>	<u>4,274,577</u>	<u>124,052</u>
Expenditures:				
Current -				
General government	52,000	63,722	57,038	6,684
Streets	584,985	589,472	790,321	(200,849)
Capital outlay	<u>3,659,600</u>	<u>1,219,214</u>	<u>779,510</u>	<u>439,704</u>
Total expenditures	<u>4,296,585</u>	<u>1,872,408</u>	<u>1,626,869</u>	<u>245,539</u>
Excess of revenues over expenditures	<u>2,697,836</u>	<u>2,278,117</u>	<u>2,647,708</u>	<u>369,591</u>
Other financing sources (uses)				
Transfers in	-	-	7,197	7,197
Transfers out	<u>(1,785,821)</u>	<u>(1,787,746)</u>	<u>(1,396,398)</u>	<u>391,348</u>
Total other financing sources (uses)	<u>(1,785,821)</u>	<u>(1,787,746)</u>	<u>(1,389,201)</u>	<u>398,545</u>
Net change in fund balance	912,015	490,371	1,258,507	768,136
Fund balance, beginning	<u>2,092,363</u>	<u>2,092,363</u>	<u>2,092,363</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,004,378</u>	<u>\$ 2,582,734</u>	<u>\$ 3,350,870</u>	<u>\$ 768,136</u>

See notes to the required supplementary information.

CITY OF SCOTT, LOUISIANA
1984 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$3,600,000	\$ 3,555,763	\$ 3,582,337	\$ 26,574
Intergovernmental -				
Local grant	18,000	19,569	-	(19,569)
Miscellaneous -				
Other miscellaneous	-	-	39,054	39,054
Interest	11,000	14,230	16,601	2,371
Total revenues	<u>3,629,000</u>	<u>3,589,562</u>	<u>3,637,992</u>	<u>48,430</u>
Expenditures:				
Current -				
General government	53,000	67,383	114,101	(46,718)
Public safety -				
Fire	937,747	832,564	838,323	(5,759)
Streets	139,390	121,620	122,145	(525)
Debt service	509,810	515,753	520,008	(4,255)
Capital outlay	95,000	1,688,643	1,686,032	2,611
Total expenditures	<u>1,734,947</u>	<u>3,225,963</u>	<u>3,280,609</u>	<u>(54,646)</u>
Excess (deficiency) of revenues over expenditures	<u>1,894,053</u>	<u>363,599</u>	<u>357,383</u>	<u>(6,216)</u>
Other financing uses:				
Proceeds from issuance of long-term debt	-	3,000,000	1,652,293	(1,347,707)
Transfers out	(2,249,852)	(2,249,852)	(2,249,852)	-
Total other financing sources (uses)	<u>(2,249,852)</u>	<u>750,148</u>	<u>(597,559)</u>	<u>(1,347,707)</u>
Net change in fund balance	(355,799)	1,113,747	(240,176)	(1,353,923)
Fund balance, beginning	<u>1,143,230</u>	<u>1,143,230</u>	<u>1,143,230</u>	<u>-</u>
Fund balance, ending	<u>\$ 787,431</u>	<u>\$ 2,256,977</u>	<u>\$ 903,054</u>	<u>\$ (1,353,923)</u>

See notes to the required supplementary information.

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

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,250,000	\$ 1,286,470	\$ 1,312,298	\$ 25,828
Miscellaneous - interest	5,000	5,824	15,502	9,678
Total revenues	<u>1,255,000</u>	<u>1,292,294</u>	<u>1,327,800</u>	<u>35,506</u>
Expenditures:				
Current -				
General government -				
Collection fees	7,000	15,912	13,269	2,643
Total general government	<u>7,000</u>	<u>15,912</u>	<u>13,269</u>	<u>2,643</u>
Capital outlay	450,000	450,000	300,000	150,000
Total expenditures	<u>457,000</u>	<u>465,912</u>	<u>313,269</u>	<u>152,643</u>
Excess (deficiency) of revenues over expenditures	<u>798,000</u>	<u>826,382</u>	<u>1,014,531</u>	<u>188,149</u>
Other financing sources:				
Transfers out	(747,238)	(747,238)	(747,239)	(1)
Total other financing sources	<u>(747,238)</u>	<u>(747,238)</u>	<u>(747,239)</u>	<u>(1)</u>
Net change in fund balance	50,762	79,144	267,292	188,148
Fund balance, beginning	3,389,710	3,389,710	3,389,710	-
Fund balance, ending	<u>\$ 3,440,472</u>	<u>\$ 3,468,854</u>	<u>\$ 3,657,002</u>	<u>\$ 188,148</u>

See notes to the required supplementary information.

CITY OF SCOTT, LOUISIANA

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:						
Service Cost	\$ 31,334	\$ 35,796	\$ 33,851	\$ 116,711	\$ 13,592	\$ 12,839
Interest	61,159	31,287	28,585	35,276	27,033	26,488
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	67,604	370,243	71,008	(60,402)	261,792	7,348
Changes of assumptions	(25,774)	(116,527)	28,755	241,715	51,000	-
Benefit payments	<u>(41,541)</u>	<u>(39,375)</u>	<u>(50,170)</u>	<u>(45,311)</u>	<u>(42,949)</u>	<u>(21,956)</u>
Net changes	92,782	281,424	112,029	287,989	310,468	24,719
Total OPEB liability - beginning	<u>1,711,981</u>	<u>1,430,557</u>	<u>1,318,528</u>	<u>1,030,539</u>	<u>720,071</u>	<u>695,352</u>
Total OPEB liability - ending	\$ 1,804,763	\$ 1,711,981	\$ 1,430,557	\$ 1,318,528	\$ 1,030,539	\$ 720,071
Covered employee payroll	<u>\$ 2,864,520</u>	<u>\$ 2,781,087</u>	<u>\$ 2,468,083</u>	<u>\$ 2,373,157</u>	<u>\$ 2,281,881</u>	<u>\$ 2,432,936</u>
Net OPEB liability as a percentage of covered-employee payroll	63.0%	61.6%	58.0%	55.6%	45.2%	29.6%

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

See notes to the required supplementary information.

CITY OF SCOTT, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2023*

Plan	Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
MERS	2023	1.332124%	\$ 1,169,583	\$1,070,978	109.2%	69.56%
	2022	1.286280%	745,153	988,523	75.4%	79.14%
	2021	1.215575%	1,101,587	942,043	116.9%	66.26%
	2020	1.755280%	1,028,368	898,647	114.4%	66.14%
	2019	1.232423%	1,042,423	891,955	116.9%	65.60%
	2018	1.179990%	1,020,966	869,409	117.4%	63.49%
	2017	1.191381%	987,546	909,888	108.5%	63.34%
	2016	1.260809%	856,905	874,830	98.0%	68.71%
	2015	1.190261%	558,823	805,041	69.4%	76.94%
MPERS	2023	0.482680%	4,933,867	1,490,104	331.1%	70.80%
	2022	0.450241%	2,400,031	1,373,603	174.7%	70.94%
	2021	0.430681%	3,980,496	1,332,840	298.6%	70.94%
	2020	0.385657%	3,502,411	1,210,075	289.4%	71.01%
	2019	0.393213%	3,324,247	1,160,042	286.6%	71.89%
	2018	0.319637%	2,790,566	944,827	295.4%	70.08%
	2017	0.309268%	2,898,712	864,272	335.4%	66.04%
	2016	0.363479%	2,847,478	916,405	310.7%	70.73%
	2015	0.312685%	1,956,183	797,969	245.1%	75.10%
FRS	2023	0.044483%	313,663	114,726	273.4%	74.68%
	2022	0.036586%	129,655	98,015	132.3%	72.61%
	2021	0.016685%	115,653	41,539	278.4%	72.61%

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

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

See notes to the required supplementary information.

CITY OF SCOTT, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2023

Plan	Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
MERS	2023	\$ 176,176	\$ 176,176	\$ -	\$1,136,622	15.50%
	2022	166,000	166,000	-	1,070,978	15.50%
	2021	153,221	153,221	-	988,523	15.50%
	2020	131,886	131,886	-	942,043	14.00%
	2019	125,811	125,811	-	898,647	14.00%
	2018	118,184	118,184	-	891,955	13.25%
	2017	95,635	95,635	-	869,409	11.00%
	2016	87,512	87,512	-	909,888	9.62%
	2015	83,109	83,109	-	874,830	9.50%
MPERS	2023	418,999	418,999	-	1,340,797	31.25%
	2022	443,306	443,306	-	1,490,104	29.75%
	2021	463,591	463,591	-	1,373,603	33.75%
	2020	433,178	433,178	-	1,332,840	32.50%
	2019	390,249	390,249	-	1,210,075	32.25%
	2018	356,713	356,713	-	1,160,042	30.75%
	2017	300,681	300,681	-	944,827	31.82%
	2016	255,601	255,601	-	864,272	29.57%
	2015	289,676	289,676	-	916,405	31.61%
FRS	2023	38,564	38,564	-	114,263	33.75%
	2022	38,720	38,897	(177)	114,726	33.75%
	2021	31,610	31,610	-	98,015	32.25%

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

CITY OF SCOTT, LOUISIANA

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

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

- a) Prior to June 15, the City Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1.
- b) A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- e) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
- f) All budgetary appropriations lapse at the end of each fiscal year.
- g) Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board of Aldermen.

(2) Pension Plans

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

(3) Other Postemployment Benefits

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

Change in the discount rate – The discount rate at June 30, 2023 is 3.65%, a increase of .11 % from the prior year rate of 3.54%.

(Continued)

CITY OF SCOTT, LOUISIANA

Notes to the Required Supplementary Information (Continued)

(4) Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, the following funds had actual expenditures over appropriations at the function level, as follows:

<u>Fund and Function</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund:			
General government	\$ 1,599,412	\$ 1,722,703	\$ (123,291)
Streets	1,107,544	1,143,569	(36,025)
Culture and tourism	459,895	526,421	(66,526)
Capital outlay	996,570	1,025,618	(29,048)
1968 Sales Tax Fund:			
Streets	589,472	790,321	(200,849)
1984 Sales Tax Fund:			
General government	67,383	114,101	(46,718)
Public safety	832,564	838,323	(5,759)
Streets	121,620	122,145	(525)
Debt service	515,753	520,008	(4,255)

OTHER SUPPLEMENTARY INFORMATION

CITY OF SCOTT, LOUISIANA

Statement of Net Position
June 30, 2023
With Comparative Totals as of June 30, 2022

	2023			2022 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 8,806,630	\$ 2,235,548	\$11,042,178	\$ 11,031,348
Investments	2,423,744	123,351	2,547,095	2,445,539
Receivables, net	798,410	651,269	1,449,679	1,156,925
Internal balances	(345,978)	345,978	-	-
Due from other governmental units	92,084	52,010	144,094	126,213
Prepaid items	75,012	12,429	87,441	99,858
Total current assets	<u>11,849,902</u>	<u>3,420,585</u>	<u>15,270,487</u>	<u>14,859,883</u>
Noncurrent assets:				
Restricted assets				
Cash and interest-bearing deposits	398,680	199,983	598,663	3,199,241
Investments	-	162,757	162,757	162,823
Capital assets:				
Land and construction in progress	16,660,667	828,778	17,489,445	12,291,603
Other capital assets, net	<u>26,829,607</u>	<u>14,463,632</u>	<u>41,293,239</u>	<u>39,897,853</u>
Total noncurrent assets	<u>43,888,954</u>	<u>15,655,150</u>	<u>59,544,104</u>	<u>55,551,520</u>
Total assets	<u>55,738,856</u>	<u>19,075,735</u>	<u>74,814,591</u>	<u>70,411,403</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	2,517,342	93,149	2,610,491	1,501,735
Deferred outflows of resources related to net OPEB obligation	678,912	66,560	745,472	798,142
Total deferred outflows of resources	<u>3,196,254</u>	<u>159,709</u>	<u>3,355,963</u>	<u>2,299,877</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	669,674	217,569	887,243	915,771
Contracts and retainage payables	1,718,743	22,010	1,740,753	846,661
Unearned revenue	1,729,339	64,440	1,793,779	865,251
Customers deposits payable	-	257,024	257,024	235,649
Bonds payable	1,241,000	36,000	1,277,000	995,000
Accrued interest payable	123,029	2,719	125,748	128,455
Notes payable - short term	487,367	-	487,367	489,903
Total current liabilities	<u>5,969,152</u>	<u>599,762</u>	<u>6,568,914</u>	<u>4,476,690</u>
Noncurrent liabilities:				
Compensated absences payable	62,044	116	62,160	52,732
Notes payable - long term	1,017,524	-	1,017,524	1,512,795
Bonds payable	16,816,293	559,863	17,376,156	17,000,863
Net OPEB obligation payable	1,643,623	161,140	1,804,763	1,711,981
Net pension payable	6,171,501	245,612	6,417,113	3,274,839
Total noncurrent liabilities	<u>25,710,985</u>	<u>966,731</u>	<u>26,677,716</u>	<u>23,553,210</u>
Total liabilities	<u>31,680,137</u>	<u>1,566,493</u>	<u>33,246,630</u>	<u>28,029,900</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	103,451	3,125	106,576	1,600,351
Deferred inflows of resources related to net OPEB obligation	122,790	12,038	134,828	139,390
Total deferred inflows of resources	<u>226,241</u>	<u>15,163</u>	<u>241,404</u>	<u>1,739,741</u>
NET POSITION				
Net investment in capital assets	22,209,347	14,710,537	36,919,884	34,657,080
Restricted for sales tax dedications	7,908,648	-	7,908,648	6,625,303
Restricted for debt service	497,040	66,997	564,037	532,532
Unrestricted (deficit)	<u>(3,586,303)</u>	<u>2,876,254</u>	<u>(710,049)</u>	<u>1,126,724</u>
Total net position	<u>\$ 27,028,732</u>	<u>\$ 17,653,788</u>	<u>\$44,682,520</u>	<u>\$ 42,941,639</u>

CITY OF SCOTT, LOUISIANA

Balance Sheets
General and Special Revenue Funds
June 30, 2023

With Comparative Totals as of June 30, 2022

	General		1968 Sales Tax Special Revenue		1984 Sales Tax Special Revenue		Apollo Economic Development District Sales Tax Special Revenue	
	2023	2022	2023	2022	2023	2022	2023	2022
	ASSETS							
Cash	\$ 103,772	\$ 266,473	\$ 840,969	\$ 83,929	\$ 348,330	\$ 363,351	\$ 264,313	\$ 108,979
Interest-bearing deposits	1,041,189	1,428,802	3,742,698	2,415,072	1,724,079	1,935,241	741,280	1,424,244
Investments	553,615	532,881	1,746,621	1,681,206	123,508	118,882	-	-
Receivables:								
Taxes	4,046	2,510	321,473	277,671	321,473	277,671	127,792	95,053
Accrued interest	-	-	1,245	157	1,245	157	491	54
Due from other funds	940,544	821,423	419,390	-	536,658	774,098	3,162,538	2,245,884
Due from other governmental units	-	4,262	92,084	90,615	-	31,336	-	-
Other	20,645	-	-	-	-	-	-	-
Prepaid items	72,734	84,749	330	-	1,948	-	-	-
Total assets	<u>\$2,736,545</u>	<u>\$ 3,141,100</u>	<u>\$7,164,810</u>	<u>\$4,548,650</u>	<u>\$3,057,241</u>	<u>\$ 3,500,736</u>	<u>\$ 4,296,414</u>	<u>\$ 3,874,214</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 135,536	\$ 152,370	\$ 136,571	\$ 182,598	\$ 32,010	\$ 28,449	\$ -	\$ -
Contracts payable	14,154	-	-	19,400	-	-	-	-
Retainage payable	29,681	-	-	78,040	-	-	-	-
Accrued liabilities	95,344	106,516	1,790	1,427	1,979	1,615	263,983	109,075
Due to other funds	795,957	656,342	1,950,512	1,540,928	2,120,198	2,327,442	375,429	375,429
Unearned revenue	4,272	170,378	1,725,067	633,894	-	-	-	-
Total liabilities	<u>1,074,944</u>	<u>1,085,606</u>	<u>3,813,940</u>	<u>2,456,287</u>	<u>2,154,187</u>	<u>2,357,506</u>	<u>639,412</u>	<u>484,504</u>
Fund balances -								
Nonspendable (prepaid items)	72,734	84,749	330	-	1,948	-	-	-
Restricted - sales tax dedications	-	-	3,350,540	2,092,363	901,106	1,143,230	3,657,002	3,389,710
Unassigned	1,588,867	1,970,745	-	-	-	-	-	-
Total fund balances	<u>1,661,601</u>	<u>2,055,494</u>	<u>3,350,870</u>	<u>2,092,363</u>	<u>903,054</u>	<u>1,143,230</u>	<u>3,657,002</u>	<u>3,389,710</u>
Total liabilities and fund balances	<u>\$2,736,545</u>	<u>\$ 3,141,100</u>	<u>\$7,164,810</u>	<u>\$4,548,650</u>	<u>\$3,057,241</u>	<u>\$ 3,500,736</u>	<u>\$ 4,296,414</u>	<u>\$ 3,874,214</u>

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 365,000	\$ 365,156	\$ 377,905	\$ 12,749	\$ 352,694
Franchise -					
Electric	595,000	577,282	615,341	38,059	536,465
Natural gas	30,000	49,592	37,732	(11,860)	29,521
Cable TV	55,000	51,756	51,454	(302)	54,118
Telephone	3,000	3,000	524	(2,476)	2,038
Total taxes	<u>1,048,000</u>	<u>1,046,786</u>	<u>1,082,956</u>	<u>36,170</u>	<u>974,836</u>
Licenses and permits:					
Liquor and beer licenses	6,330	8,280	8,580	300	6,055
Occupational licenses	28,000	22,210	24,060	1,850	25,925
Insurance occupational licenses	200,000	325,658	279,115	(46,543)	216,537
Building permits	225,000	379,161	368,749	(10,412)	218,909
Electrical permits	39,000	50,634	84,339	33,705	42,565
Other permits	45,000	40,241	46,075	5,834	35,260
Total licenses and permits	<u>543,330</u>	<u>826,184</u>	<u>810,918</u>	<u>(15,266)</u>	<u>545,251</u>
Intergovernmental:					
State of Louisiana	220,065	200,504	186,202	(14,302)	204,986
Local	302,957	297,957	267,957	(30,000)	277,799
Total intergovernmental	<u>523,022</u>	<u>498,461</u>	<u>454,159</u>	<u>(44,302)</u>	<u>482,785</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Revenues (Continued)
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Fines and forfeits:					
Fines and court costs - regular	175,000	171,980	160,126	(11,854)	160,908
Fines and court costs - LACE	<u>230,000</u>	<u>213,573</u>	<u>202,807</u>	<u>(10,766)</u>	<u>223,150</u>
Total fines and forfeits	<u>405,000</u>	<u>385,553</u>	<u>362,933</u>	<u>(22,620)</u>	<u>384,058</u>
Miscellaneous:					
Interest	6,500	23,449	25,402	1,953	6,222
Sale of assets	16,410	16,410	16,410	-	-
Sale of assets - police assets	6,000	2,000	2,000	-	-
Begnaud House inventory sales	4,500	8,693	8,368	(325)	4,817
Begnaud House event admission	1,850	1,630	1,610	(20)	1,529
Event Center revenues	35,000	54,225	50,725	(3,500)	31,050
Donations	650	650	650	-	-
Veterans Memorial	35,000	81,565	101,560	19,995	-
Other sources	<u>60,500</u>	<u>30,148</u>	<u>163,457</u>	<u>133,309</u>	<u>27,389</u>
Total miscellaneous	<u>166,410</u>	<u>218,770</u>	<u>370,182</u>	<u>151,412</u>	<u>71,007</u>
Total revenues	<u>\$2,685,762</u>	<u>\$2,975,754</u>	<u>\$3,081,148</u>	<u>\$ 105,394</u>	<u>\$ 2,457,937</u>

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
General government:					
Administration:					
Mayor and council salaries	\$ 155,530	\$ 155,530	\$ 155,524	\$ 6	\$ 152,380
Other salaries	157,190	161,798	162,803	(1,005)	151,212
Payroll taxes	24,548	24,261	24,228	33	22,307
Retirement	35,909	35,558	35,908	(350)	33,927
Telephone and utilities	29,200	26,007	29,962	(3,955)	30,856
Advertising and publications	35,000	32,089	30,602	1,487	22,309
Repairs and maintenance	48,880	41,576	67,217	(25,641)	42,479
Dues and conventions	7,500	4,572	2,491	2,081	9,526
Legal fees	180,000	312,378	328,419	(16,041)	194,565
Government relations and consulting	5,000	5,000	352	4,648	-
Accounting and auditing	40,000	43,885	40,285	3,600	32,175
Computer service	18,000	18,859	18,860	(1)	18,529
General insurance	67,619	67,266	115,287	(48,021)	43,776
Group insurance	50,000	42,955	41,937	1,018	69,810
Office expenditures	59,450	59,539	66,813	(7,274)	54,260
Uniforms	3,000	2,783	2,873	(90)	2,102
Scott business appreciation	4,000	3,551	3,551	-	1,904
Bad debt expense	-	-	-	-	1,217
Cultural activities	15,600	5,364	6,085	(721)	16,443
Collection fees	8,900	8,300	10,364	(2,064)	9,842
Miscellaneous	12,600	9,997	11,719	(1,722)	1,353
	<u>957,926</u>	<u>1,061,268</u>	<u>1,155,280</u>	<u>(94,012)</u>	<u>910,972</u>
Code Department:					
Salaries	131,125	139,307	136,732	2,575	134,152
Payroll taxes and retirement	30,617	30,328	30,193	135	26,968
Group insurance	15,600	14,012	12,913	1,099	10,704
Building permits	195,000	352,147	385,907	(33,760)	240,490
Training	3,000	2,350	1,678	672	1,638
	<u>375,342</u>	<u>538,144</u>	<u>567,423</u>	<u>(29,279)</u>	<u>413,952</u>
Total general government	<u>1,333,268</u>	<u>1,599,412</u>	<u>1,722,703</u>	<u>(123,291)</u>	<u>1,324,924</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Actual	Variance with Final Budget Positive (Negative)	2022 Actual
	Budget				
	Original	Final			
Public safety:					
Police -					
Salaries	1,906,726	1,720,566	1,658,657	61,909	1,772,708
Salaries - Chief	90,847	92,664	92,664	-	90,847
Payroll taxes	156,980	129,405	133,686	(4,281)	142,611
Retirement	458,624	420,565	418,999	1,566	443,306
Vehicle allowance	9,600	9,600	9,600	-	9,663
Auto fuel and oil	100,000	100,000	89,657	10,343	102,770
Uniforms and supplies	24,000	19,000	21,658	(2,658)	53,595
Training, lodging and travel	17,000	15,000	11,143	3,857	11,496
Dues and subscriptions	13,000	18,173	18,124	49	8,524
General insurance	225,398	225,398	241,252	(15,854)	188,180
Group insurance	264,744	215,676	195,717	19,959	262,317
Advertising	3,000	3,000	2,713	287	2,041
Miscellaneous	3,000	3,000	2,023	977	3,223
Auto repairs and maintenance	77,400	61,157	48,608	12,549	58,200
Firearms and ammunition	9,000	9,000	7,301	1,699	8,360
Telephone and utilities	83,200	76,402	70,612	5,790	52,443
Computer services	30,000	30,000	29,030	970	22,904
Office repairs and maintenance	77,500	78,985	80,400	(1,415)	40,819
Office supplies	20,525	20,525	20,275	250	13,002
Civil service -					
Contract services	3,600	3,600	3,600	-	2,112
Office supplies/miscellaneous	2,000	2,000	1,011	989	270
Total public safety	<u>3,576,144</u>	<u>3,253,716</u>	<u>3,156,730</u>	<u>96,986</u>	<u>3,289,391</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Streets:					
Salaries	567,453	611,010	621,411	(10,401)	575,717
Retirement	87,955	82,718	83,638	(920)	78,320
Payroll taxes	45,056	46,849	47,224	(375)	43,538
Street lighting	95,000	109,232	121,587	(12,355)	109,066
General insurance	122,463	122,463	162,326	(39,863)	112,653
Group insurance	94,498	86,675	75,645	11,030	90,823
Dues and subscriptions	5,000	5,000	3,240	1,760	5,407
Utilities	13,500	7,683	8,734	(1,051)	10,906
Engineering	-	-	5,298	(5,298)	12,613
Repairs and maintenance	51,000	31,519	10,103	21,416	13,038
Uniforms	6,000	4,300	4,268	32	4,801
Install/remove Christmas decorations	-	-	-	-	152
Miscellaneous	100	95	95	-	3,721
Total streets	<u>1,088,025</u>	<u>1,107,544</u>	<u>1,143,569</u>	<u>(36,025)</u>	<u>1,060,755</u>
Culture and tourism:					
Begnaud House -					
Salaries	25,062	25,900	26,231	(331)	16,959
Payroll taxes	1,968	2,032	2,030	2	1,318
General insurance	4,385	4,385	3,364	1,021	1,701
Cost of sales	1,750	6,775	6,551	224	3,969
Telephone and utilities	6,123	5,062	4,690	372	6,766
Advertising and marketing	150	-	-	-	-
Events	1,200	1,600	2,000	(400)	300
Office expenditures	4,810	4,156	4,177	(21)	4,361
Building and grounds maintenance	2,680	3,425	15,181	(11,756)	6,265
Conferences	150	150	150	-	331
Miscellaneous	150	26	190	(164)	530
Total Begnaud House	<u>48,428</u>	<u>53,511</u>	<u>64,564</u>	<u>(11,053)</u>	<u>42,500</u>
Scott Event Center -					
Contract labor	400	272	326	(54)	362
General insurance	4,612	4,612	9,630	(5,018)	166
Utilities	12,725	12,442	15,618	(3,176)	12,423
Repairs and maintenance	15,200	14,920	19,351	(4,431)	20,999
Supplies	1,908	3,625	-	3,625	201
Total Scott Event Center	<u>34,845</u>	<u>35,871</u>	<u>44,925</u>	<u>(9,054)</u>	<u>34,151</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Detailed Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Scott Community Center -					
Telephone and utilities	-	-	-	-	871
Total Scott Community Center	-	-	-	-	871
Scott Park -					
Utilities	20,000	55,336	59,470	(4,134)	27,737
Insurance	75,231	75,231	70,513	4,718	65,346
Repairs and supplies	20,000	9,042	31,770	(22,728)	13,543
Miscellaneous	-	-	665	(665)	-
Improvements note	283,824	230,904	254,514	(23,610)	-
Total Scott Community Center	399,055	370,513	416,932	(46,419)	106,626
Total culture and recreation	482,328	459,895	526,421	(66,526)	184,148
Capital outlay	946,400	996,570	1,025,618	(29,048)	518,182
Total expenditures	\$7,426,165	\$7,417,137	\$7,575,041	\$ (157,904)	\$6,377,400

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1968 Sales Tax Fund
Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 3,600,000	\$3,555,763	\$3,582,337	\$ 26,574	\$3,268,905
Intergovernmental -					
Federal	3,344,921	456,543	605,092	148,549	493,276
State grant	40,000	58,985	-	(58,985)	539,155
Miscellaneous -					
Interest	9,500	79,234	87,148	7,914	10,899
Total revenues	<u>6,994,421</u>	<u>4,150,525</u>	<u>4,274,577</u>	<u>124,052</u>	<u>4,312,235</u>
Expenditures:					
General government -					
Collection fees	22,000	32,737	28,153	4,584	19,266
Professional fees	30,000	30,985	28,885	2,100	23,005
Total general government	<u>52,000</u>	<u>63,722</u>	<u>57,038</u>	<u>6,684</u>	<u>42,271</u>
Streets -					
Supplies and repairs	89,000	91,905	87,392	4,513	135,100
Herbicide program	35,985	35,985	45,087	(9,102)	47,349
Channel cleaning	100,000	65,829	65,827	2	250,000
Engineering fees - annexations, etc.	360,000	395,753	592,015	(196,262)	675,567
Total streets	<u>584,985</u>	<u>589,472</u>	<u>790,321</u>	<u>(200,849)</u>	<u>1,108,016</u>
Capital outlay	<u>3,659,600</u>	<u>1,219,214</u>	<u>779,510</u>	<u>439,704</u>	<u>781,611</u>
Total expenditures	<u>4,296,585</u>	<u>1,872,408</u>	<u>1,626,869</u>	<u>245,539</u>	<u>1,931,898</u>
Excess of revenues over expenditures	<u>2,697,836</u>	<u>2,278,117</u>	<u>2,647,708</u>	<u>369,591</u>	<u>2,380,337</u>
Other financing sources/(uses)					
Transfers in	-	-	7,197	7,197	500,000
Transfers out	(1,785,821)	(1,787,746)	(1,396,398)	391,348	(2,645,825)
Total other financing sources/(uses)	<u>(1,785,821)</u>	<u>(1,787,746)</u>	<u>(1,389,201)</u>	<u>398,545</u>	<u>(2,145,825)</u>
Net change in fund balance	912,015	490,371	1,258,507	768,136	234,512
Fund balance, beginning	<u>2,092,363</u>	<u>2,092,363</u>	<u>2,092,363</u>	-	<u>1,857,851</u>
Fund balance, ending	<u>\$ 3,004,378</u>	<u>\$ 2,582,734</u>	<u>\$ 3,350,870</u>	<u>\$ 768,136</u>	<u>\$ 2,092,363</u>

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

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 3,600,000	\$ 3,555,763	\$ 3,582,337	\$ 26,574	\$ 3,268,905
Intergovernmental -					
Local grant	18,000	19,569	-	(19,569)	87,132
Miscellaneous -					
Other	-	-	39,054	39,054	9,161
Interest	11,000	14,230	16,601	2,371	9,508
Total revenues	<u>3,629,000</u>	<u>3,589,562</u>	<u>3,637,992</u>	<u>48,430</u>	<u>3,374,706</u>
Expenditures:					
General government -					
Sales tax collection fee	23,000	32,737	28,153	4,584	19,266
Bond issuance costs	-	-	48,775	(48,775)	-
Professional fees	30,000	34,646	37,173	(2,527)	23,005
Total general government	<u>53,000</u>	<u>67,383</u>	<u>114,101</u>	<u>(46,718)</u>	<u>42,271</u>
Public safety - fire					
Contract	75,000	75,000	75,000	-	75,000
Telephone and supplies	7,650	8,017	8,142	(125)	2,595
Uniforms	5,500	4,550	4,553	(3)	4,813
Professional fees	19,500	19,500	27,790	(8,290)	27,760
Salaries and benefits	665,212	560,412	558,115	2,297	546,545
Payroll taxes	47,370	43,179	41,041	2,138	40,230
Retirement	32,227	36,630	38,564	(1,934)	38,897
Contract labor	57,788	57,776	57,776	-	57,644
Insurance	27,500	27,500	27,342	158	17,256
Total public safety	<u>937,747</u>	<u>832,564</u>	<u>838,323</u>	<u>(5,759)</u>	<u>810,740</u>
Streets -					
Vehicle and equipment repairs and maintenance	90,000	98,205	102,985	(4,780)	122,421
Equipment	49,390	23,415	19,160	4,255	23,250
Total streets	<u>139,390</u>	<u>121,620</u>	<u>122,145</u>	<u>(525)</u>	<u>145,671</u>
Debt service	<u>509,810</u>	<u>515,753</u>	<u>520,008</u>	<u>(4,255)</u>	<u>17,077</u>
Capital outlay	<u>95,000</u>	<u>1,688,643</u>	<u>1,686,032</u>	<u>2,611</u>	<u>2,465,312</u>
Total expenditures	<u>1,734,947</u>	<u>3,225,963</u>	<u>3,280,609</u>	<u>(54,646)</u>	<u>3,481,071</u>
Excess (deficiency) of revenues over expenditures	<u>1,894,053</u>	<u>363,599</u>	<u>357,383</u>	<u>(6,216)</u>	<u>(106,365)</u>

(continued)

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

Detailed Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Other financing sources (uses):					
Proceeds from issuance of debt	-	3,000,000	1,652,293	(1,347,707)	2,019,775
Transfers out	(2,249,852)	(2,249,852)	(2,249,852)	-	(2,316,725)
Total other financing sources (uses)	(2,249,852)	750,148	(597,559)	(1,347,707)	(296,950)
Net change in fund balance	(355,799)	1,113,747	(240,176)	(1,353,923)	(403,315)
Fund balance, beginning	1,143,230	1,143,230	1,143,230	-	1,546,545
Fund balance, ending	<u>\$ 787,431</u>	<u>\$ 2,256,977</u>	<u>\$ 903,054</u>	<u>\$ (1,353,923)</u>	<u>\$ 1,143,230</u>

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

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$1,250,000	\$1,286,470	\$1,312,298	\$ 25,828	\$1,166,832
Miscellaneous	5,000	5,824	15,502	9,678	4,503
Total revenues	<u>1,255,000</u>	<u>1,292,294</u>	<u>1,327,800</u>	<u>35,506</u>	<u>1,171,335</u>
Expenditures:					
General government -					
Collection fees	7,000	15,912	13,269	2,643	6,655
Total general government	7,000	15,912	13,269	2,643	6,655
Capital outlay	450,000	450,000	300,000	150,000	649,638
Total expenditures	<u>457,000</u>	<u>465,912</u>	<u>313,269</u>	<u>152,643</u>	<u>656,293</u>
Excess of revenues over expenditures	<u>798,000</u>	<u>826,382</u>	<u>1,014,531</u>	<u>188,149</u>	<u>515,042</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	100,000
Transfers out	(747,238)	(747,238)	(747,239)	(1)	(744,548)
Total other financing sources (uses)	<u>(747,238)</u>	<u>(747,238)</u>	<u>(747,239)</u>	<u>(1)</u>	<u>(644,548)</u>
Net change in fund balance	50,762	79,144	267,292	188,148	(129,506)
Fund balance, beginning	<u>3,389,710</u>	<u>3,389,710</u>	<u>3,389,710</u>	<u>-</u>	<u>3,519,216</u>
Fund balance, ending	<u>\$3,440,472</u>	<u>\$3,468,854</u>	<u>\$3,657,002</u>	<u>\$ 188,148</u>	<u>\$3,389,710</u>

CITY OF SCOTT, LOUISIANA
Capital Projects Fund
Street Construction Fund

Detailed Budgetary Comparison Schedule
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Actual	Variance - Favorable (Unfavorable)	2022 Actual
	Budget				
	Original	Final			
Revenues:					
Federal grants -	\$ 1,535,000	50,000	-	(50,000)	-
Miscellaneous - interest	<u>28,150</u>	<u>4,898</u>	<u>3,681</u>	<u>(1,217)</u>	<u>24,145</u>
Total revenues	<u>1,563,150</u>	<u>54,898</u>	<u>3,681</u>	<u>(51,217)</u>	<u>24,145</u>
Expenditures:					
Capital outlay	<u>6,016,523</u>	<u>3,611,708</u>	<u>3,999,536</u>	<u>(387,828)</u>	<u>7,648,534</u>
Total expenditures	<u>6,016,523</u>	<u>3,611,708</u>	<u>3,999,536</u>	<u>(387,828)</u>	<u>7,648,534</u>
Deficiency of revenues over expenditures	<u>(4,453,373)</u>	<u>(3,556,810)</u>	<u>(3,995,855)</u>	<u>(439,045)</u>	<u>(7,624,389)</u>
Other financing sources (uses):					
Transfers in	2,515,413	2,515,413	-	(2,515,413)	-
Transfers out	<u>-</u>	<u>-</u>	<u>(7,197)</u>	<u>(7,197)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,515,413</u>	<u>2,515,413</u>	<u>(7,197)</u>	<u>(2,522,610)</u>	<u>-</u>
Net change in fund balance	(1,937,960)	(1,041,397)	(4,003,052)	(2,961,655)	(7,624,389)
Fund balance, beginning	<u>1,941,282</u>	<u>1,941,282</u>	<u>1,941,282</u>	<u>-</u>	<u>9,565,671</u>
Fund balance, ending	<u>\$ 3,322</u>	<u>\$ 899,885</u>	<u>\$(2,061,770)</u>	<u>\$(2,961,655)</u>	<u>\$ 1,941,282</u>

CITY OF SCOTT, LOUISIANA
Comparative Statement of Net Position
Enterprise Fund
June 30, 2023 and 2022

	Utility Fund	
	2023	2022
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 2,235,548	\$ 3,005,257
Investments	123,351	112,570
Receivables:		
Accounts, net of allowance for doubtful accounts	399,379	377,673
Unbilled utility receivables	251,890	125,979
Due from other governmental units	52,010	-
Due from other funds	1,979,446	1,920,714
Prepaid items	12,429	15,109
Total current assets	5,054,053	5,557,302
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	199,983	152,179
Investments	162,757	162,823
Capital assets -		
Land and construction in progress	828,778	1,265,504
Other capital assets, net of accumulated depreciation	14,463,632	13,600,847
Total noncurrent assets	15,655,150	15,181,353
Total assets	20,709,203	20,738,655
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	93,149	52,949
Deferred outflows of resources related to net OPEB obligation	66,560	71,263
Total deferred outflows of resources	159,709	124,212
LIABILITIES		
Current liabilities:		
Accounts payable	210,026	242,415
Retainage payable	22,010	-
Accrued liabilities	7,543	11,306
Unearned revenue	64,440	60,980
Due to other funds	1,633,468	1,202,083
Payable from restricted assets:		
Customers' deposits payable	257,024	235,649
Water revenue bonds payable	36,000	35,000
Accrued interest payable	2,719	2,576
Total current liabilities	2,233,230	1,790,009
Noncurrent liabilities:		
Compensated absences payable	116	216
Water revenue bonds payable	559,863	595,863
Net OPEB obligation payable	161,140	152,855
Net pension liability	245,612	163,934
Total noncurrent liabilities	966,731	912,868
Total liabilities	3,199,961	2,702,877
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	3,125	51,066
Deferred inflows of resources related to net OPEB obligation	12,038	12,446
Total deferred inflows of resources	15,163	63,512
NET POSITION		
Net investment in capital assets	14,710,537	14,270,488
Restricted for debt service	66,997	41,777
Unrestricted	2,876,254	3,784,213
Total net position	\$ 17,653,788	\$ 18,096,478

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Statement of Revenues and Expenses
For the Years Ended June 30, 2023 and 2022

	Totals		Gas	
	2023	2022	2023	2022
Operating revenues:				
Customers service charges	\$ 3,738,630	\$ 3,635,961	\$ 521,116	\$ 501,784
Permits, reconnections and penalties	316,195	383,766	73,770	45,834
Total operating revenues	<u>4,054,825</u>	<u>4,019,727</u>	<u>594,886</u>	<u>547,618</u>
Operating expenses:				
Salaries	258,534	245,538	100,198	100,144
Retirement - current	36,695	35,815	13,721	14,382
Retirement expense (benefit) - GASB 68	1,666	(47,520)	633	(19,008)
OPEB expense (benefit)	12,580	(3,612)	5,032	(1,445)
Disposal charges - plant	-	2,947	-	-
Gas and water purchases	1,214,548	1,195,689	174,240	189,437
Garbage collection fees	725,039	993,668	-	-
Supplies and repairs	432,033	368,495	86,817	25,556
Supplies - plant	47,475	73,108	-	-
Utilities	37,298	43,041	1,001	813
Utilities - plant	56,715	44,355	-	-
Professional fees	48,565	41,099	17,881	16,565
Insurance	61,122	43,500	20,842	11,908
Insurance - plant	24,727	18,641	-	-
Group insurance	60,151	73,431	23,827	29,842
Office expense	32,075	27,192	9,065	6,996
Payroll taxes	19,263	18,417	7,461	7,540
Truck expenses	17,257	15,792	4,066	4,230
Training	18,828	11,942	17,772	8,999
Uniforms	1,628	3,232	428	1,525
Depreciation	550,495	553,373	5,201	19,739
Depreciation - plant	55,403	55,403	-	-
Total operating expenses	<u>3,712,097</u>	<u>3,813,546</u>	<u>488,185</u>	<u>417,223</u>
Net operating income (loss)	<u>\$ 342,728</u>	<u>\$ 206,181</u>	<u>\$ 106,701</u>	<u>\$ 130,395</u>

Water		Sewerage		Garbage	
2023	2022	2023	2022	2023	2022
\$ 1,636,287	\$ 1,410,417	\$ 831,511	\$ 719,005	\$ 749,716	\$ 1,004,755
131,820	190,612	98,105	137,320	12,500	10,000
<u>1,768,107</u>	<u>1,601,029</u>	<u>929,616</u>	<u>856,325</u>	<u>762,216</u>	<u>\$ 1,014,755</u>
112,797	107,764	45,539	37,630	-	-
16,666	15,789	6,308	5,644	-	-
750	(20,909)	283	(7,603)	-	-
5,032	(1,445)	2,516	(722)	-	-
-	-	-	2,947	-	-
1,040,308	1,006,252	-	-	-	-
-	-	-	-	725,039	993,668
198,849	194,275	146,367	148,664	-	-
-	-	47,475	73,108	-	-
1,061	843	35,236	41,385	-	-
-	-	56,715	44,355	-	-
15,342	12,267	15,342	12,267	-	-
22,939	19,376	17,341	12,216	-	-
-	-	24,727	18,641	-	-
24,120	29,080	12,204	14,509	-	-
11,505	10,457	11,505	9,739	-	-
8,490	8,145	3,312	2,732	-	-
6,192	5,312	6,999	6,250	-	-
1,056	2,918	-	25	-	-
800	1,125	400	582	-	-
-	-	-	-	-	-
240,005	231,449	305,289	302,185	-	-
-	-	55,403	55,403	-	-
<u>1,705,912</u>	<u>1,622,698</u>	<u>792,961</u>	<u>779,957</u>	<u>725,039</u>	<u>993,668</u>
\$ 62,195	\$ (21,669)	\$ 136,655	\$ 76,368	\$ 37,177	21,087

CITY OF SCOTT, LOUISIANA
LCDBG Sewer System Improvement Project

Schedule of Net Position
June 30, 2023

ASSETS	
Due from other governmental units	<u>\$ 22,010</u>
LIABILITIES	
Retainage payable	<u>\$ 22,010</u>
NET POSITION	
Restricted for sewer construction	<u>\$ -</u>

CITY OF SCOTT, LOUISIANA
LCDBG Sewer System Improvement Project

Schedule of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

Revenues:	
LCDBG grant revenues	\$ 378,000
Expenses:	
Construction	<u>378,000</u>
Change in net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u>\$ -</u>

CITY OF SCOTT, LOUISIANA

Justice System Funding Schedule - Collecting/Disbursing Entity
June 30, 2023

	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Beginning Balance of Amounts Collected	\$ 14,980	\$ -
Add: Collections -		
Civil Fees	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	162,814	165,552
Criminal Fines - Contempt	-	-
Criminal Fines - Other	121,029	81,777
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	<u>283,843</u>	<u>247,329</u>
Less: Disbursements to Governments and Nonprofits -		
Lafayette Crime Stoppers	2,556	2,556
Acadiana Criminalistics Lab	38,880	39,910
15th JDC Indigent Defender Fund	44,730	44,625
Louisiana Commission on Law Enforcement - Criminal Fines	2,737	2,850
Louisiana State Treasurer CMIS - Criminal Fines	3,823	3,828
LA Dept of Health & Hospitals THI/SCI - Criminal Fines	3,885	3,825
LA Association of Chiefs of Police	1,280	1,276
Louisiana Supreme Court - Criminal Fines	637	636
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	<u>200,295</u>	<u>147,823</u>
Subtotal Disbursements/Retainage	<u>298,823</u>	<u>247,329</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ -</u>	<u>\$ -</u>

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

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Scott, Louisiana (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise the City's basic financial statements and have issued our report thereon dated October 16, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

The City of Scott, Louisiana's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 16, 2023

KOLDER, SLAVEN & COMPANY, LLC

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

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Scott's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2023. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Scott complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-004. Our opinion on the major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

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

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-003 to be a material weakness.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 16, 2023

CITY OF SCOTT, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program Name	Assistance Listing Number	Current Year Expenditures
Direct Program:		
U.S. Department of Treasury		
* COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ 518,288
Pass-through Programs:		
U.S. Federal Highway Administration		
Passed through Louisiana Department of Transportation and Development:		
Highway Planning and Construction - Transportation Alternative Program	20.205	89,417
U.S. Department of Housing and Urban Development		
Passed through Louisiana Division of Administration Community Development Block Grant	14.228	<u>378,000</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 985,705</u>

* Indicates major program

CITY OF SCOTT, LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

(1) Basis of Presentation

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

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements for the year ended June 30, 2023. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

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

CITY OF SCOTT, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Part I. Summary of Auditor's Results

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

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

Internal Control Finding -

2023-001 Inadequate Controls Over Financial Statement Preparation

Fiscal year finding initially occurred: 2022

Criteria

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

Condition

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

CITY OF SCOTT, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Cause

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

Effect

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

Recommendation

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

Management's Corrective Action Plan

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

2023-002 Inadequate Controls Over Bank Reconciliations

Fiscal year finding initially occurred: 2023

Criteria

The City did not properly reconcile all bank accounts throughout the fiscal year.

Condition

The City should have a control policy in place that provides for the proper and timely reconciliation of all bank accounts.

Cause

A process was in place for the reconciliation, review, and approval of bank reconciliations. However, manual reconciling items caused the bank reconciliations to contain errors.

Effect

Failure to properly reconcile bank accounts and review such reconciliations could result in errors and/or fraud by not recording account activity accurately.

CITY OF SCOTT, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Recommendation

The City should ensure internal control policies and procedures over bank reconciliations are being properly implemented. Manual reconciling items should not be used to reconcile bank accounts to the general ledger.

Management's Corrective Action Plan

Management will review policies and procedures over bank reconciliations to ensure bank accounts get properly reconciled to the general ledger.

Compliance Findings –

There were no compliance findings reported for the year ended June 30, 2023.

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

Internal Control Findings --

U.S. Department of the Treasury:

2023-003 Controls Over Reporting

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

Fiscal year finding initially occurred: 2023

Criteria

In accordance with 31 CFR section 35.4(c), the City should provide an annual report detailing the accounting for the use of the federal award program funds.

Condition

The City's internal controls over reporting were determined to be ineffective during the performance of internal control testing over the major federal program.

Cause

The City does not have adequate controls and procedures over reporting.

Effect

The City's annual report did not reconcile to the amount of total expenditures in the amount of \$193,118.

CITY OF SCOTT, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Recommendation

The City should review their established policies and procedures and make any necessary changes to ensure an effective control environment.

Management's Corrective Action Plan

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

Compliance Findings --

US. Department of the Treasury

2023-004 Controls over Reporting

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

Fiscal year finding initially occurred: 2023

See internal control finding 2023-003.

MAYOR
JAN-SCOTT RICHARD

CITY MANAGER
BRENDA T. DUGAS

CITY CLERK
SHELLEY M. GAUTREAU



COUNCIL
MARK MOREAU
Councilman At Large
DOYLE J. BOUDREAU
TERRY MONTGUCET
LEE DOMINGUE
BLAINE ROY

**Corrective Action Plan
October 16, 2023**

U.S. Department of Justice

The City of Scott respectfully submits the following corrective action plan for the year ended 6/30/23.

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

Audit Period: 7/1/22-6/30/23

The findings from the 6/30/23 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT:

Internal Control:

Material Weakness -

2023-001: Inadequate Controls Over Financial Statement Preparation

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

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

2023-002: Inadequate Controls Over Bank Reconciliations

Recommendation: The City should ensure internal control policies and procedures over bank reconciliations are being properly implemented. Manual entries should not be used to reconcile bank accounts to the general ledger.

Corrective Action Plan: Management will review policies and procedures over bank reconciliations to ensure bank accounts get properly reconciled to the general ledger.

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT:

Internal Control:

Material Weakness –

U.S. Department of the Treasury

2023-003 Controls Over Reporting

Recommendation: The City should review their established policies and procedures and make any necessary changes to ensure an effective control environment.

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

Compliance -

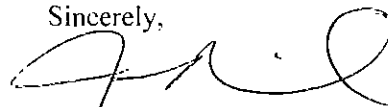
U.S. Department of the Treasury

2023-004 Controls Over Activities Allowed/Allowable Costs

See Internal Control Finding 2023-003.

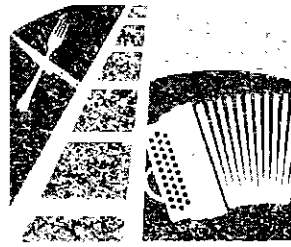
If the U.S. Department of Justice has questions regarding this plan, please call Mayor Jan Richard at 337-233-1130.

Sincerely,



Jan Richard
Mayor

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



SCOTT
LOUISIANA
EST. 1907

BOUDIN CAPITAL OF THE WORLD

COUNCIL
MARK MOREAU
Councilman At Large
DOYLE J. BOUDREAU
TERRY MONTOUCKET
LEE DOMINGUE
BLAINE ROY

City of Scott
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

FINDINGS – FINANCIAL STATEMENT AUDIT:

2022-001 Inadequate Controls Over Financial Statement Preparation

Fiscal year finding initially occurred: 2022

Condition

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

Recommendation

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

Current Status

Unresolved. See finding 2023-001.

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT:

A. Internal Control Findings –

2022-002 Controls Over Activities Allowed/Allowable Costs

Condition

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

Recommendation

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

Current Status

Resolved.

2022-003 Controls Over Activities Allowed/Allowable Costs

Condition

See internal control finding 2022-022.

Recommendation

See internal control finding 2022-002.

Current Status

Resolved.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jan Richard', with a large, stylized flourish extending to the right.

Jan Richard,
Mayor

CITY OF SCOTT

Scott, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The City of Scott's (The City) management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the City's written policies and procedures and observed whether they address each of the following categories and subcategories if applicable to public funds and the City's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties).

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period reference or include a formal plan to eliminate the negative unassigned fund balance in the General Fund.
 - d) Observed whether the board/finance committee received written updates of the progress of resolving audit findings, according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

3. We obtained a listing of the City's bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the City's main operating account. We selected the City's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included written evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic fund transfers)

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

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

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, we inquired of employees about their job duties), and we observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, we obtained the City's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
 - a) We observed whether by paper or electronic means, the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3 above, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was:
 - a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy.
 - b) Approved by the required number of authorized signers per the entity's policy.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

12. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
13. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we obtained supporting documentation, and:
 - a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) We observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

15. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, we obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, we observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g).

- d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

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

Payroll and Personnel

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

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
 - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - b) We observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

23. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued as required by Article VII Section 8 of the Louisiana Constitution.
24. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the City reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the City is domiciled as required by R.S. 24:523.

The City represented that there were no misappropriations of public funds and assets during the fiscal year.

26. We observed that the City has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

27. We performed the following procedures, **verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."**
 - a) We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - b) We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.

- c) We obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly selected 5 computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19 above and:
- a) We observed evidence that the selected terminated employees have been removed or disabled from the network.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
30. We observed the City has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
31. We obtained the City's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Exceptions:

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

Collections

1. Of the ten deposits selected, three deposits were not made within one business day of receipt.

Management's Response:

Management concurs with the exceptions noted and is working to address the deficiencies identified.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 16, 2023