

CITY OF JEANERETTE, LOUISIANA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-3
 BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	6
Statement of Activities	7
Fund Financial Statements	
Major Funds' Descriptions	9
Governmental Funds:	
Balance Sheet	10
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	11
Statement of Revenues, Expenditures, and Changes in Fund Balances	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Proprietary Fund:	
Statement of Net Position	14
Statement of Revenues, Expenses, and Changes in Fund Net Position	15-16
Statement of Cash Flows	17-18
Notes to Financial Statements	19-57
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules:	
General Fund	59
Special Revenue Fund - 1% Sales Tax Fund	60
Notes to Budgetary Comparison Schedules	61
Schedule of Proportionate Share of Net Pension Liability and Contributions	62
 OTHER SUPPLEMENTARY INFORMATION	
Nonmajor Special Revenue Funds	64
Nonmajor Governmental Funds:	
Combining Balance Sheet	65-66
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	67-68
Comparative Financial Statements:	
Government-Wide Financial Statements	
Schedule of Net Position	69
Schedule of Activities	70

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TABLE OF CONTENTS (continued)

	Page
Fund Financial Statements	
Governmental Funds:	
Balance Sheet	71
Schedule of Revenues, Expenditures and Changes in Fund Balances	72
Proprietary Fund:	
Schedule of Net Position	73
Schedule of Revenues, Expenses, and Changes in Fund Net Position	74-75
Schedule of Cash Flows	76-77
Balance Sheet - LCDBG (Unaudited)	78
Schedule of Revenues, Expenditures, and Changes in Fund Balances - LCDBG (Unaudited)	79
Schedule of Number of Utility Customers (Unaudited)	80
Schedule of Insurance in Force (Unaudited)	81
Schedule of Aged Utility Accounts (Unaudited)	82
Schedule of Water and Sewerage Rates (Unaudited)	83
Justice System Funding Schedule - Receiving Entity	84
Schedule of Expenditures of Federal Awards	85
Notes to Schedule of Expenditures of Federal Awards	86
 INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	88-89
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	90-91
Summary Schedule of Prior Audit Findings	92
Summary of Findings and Questioned Costs	93-94

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmdh.com

INDEPENDENT AUDITORS' REPORT

JOHN W. WRIGHT, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

JOAN MARTIN, CPA, CVA, CFF **

ANDRE' D. BROUSSARD, CPA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



MAGEN M. HORNSBY, CPA

STEPHANIE A. RAWLINSON, CPA

STEPHANIE L. WEST, CPA, MBA

JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISHBEE, CPA, MBA

JUDITH FAULK, CPA, APA

SHAUN GRANTHAM, CPA, MBA

BRITTANY GUIDRY, CPA

CORITA K. KUON, CPA, CVA

CHRISTOPHER LEONARDS, CPA, MBA

WENDY ORTEGO, CPA, CVA

SUMATI T. PADHY, CPA

CHARLOTTE C. SIMIEN, CPA

KIRSTIE C. STELLY, CPA, MBA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 59-60 and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jeanerette, Louisiana's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021, on our consideration of the City of Jeanerette, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Jeanerette, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Jeanerette, Louisiana's internal control over financial reporting and compliance.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Lafayette, Louisiana
December 20, 2021

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF JEANERETTE, LOUISIANA

**Statement of Net Position
June 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Interest-Bearing Deposits	\$ 1,912,702	\$ 275,127	\$ 2,187,829
Investments	316,173	254,990	571,163
Receivables:			
Accounts Receivable, Net	-	233,686	233,686
Ad Valorem Receivables, Net	34,207	-	34,207
Due from Other Governmental Units	492,436	-	492,436
Other Receivables	65,462	-	65,462
Prepaid Items	81,117	7,786	88,903
Total Current Assets	<u>2,902,097</u>	<u>771,589</u>	<u>3,673,686</u>
Noncurrent Assets:			
Restricted Assets	-	249,570	249,570
Capital Assets, Net	5,727,326	10,962,478	16,689,804
Total Noncurrent Assets	<u>5,727,326</u>	<u>11,212,048</u>	<u>16,939,374</u>
Total Assets	<u>8,629,423</u>	<u>11,983,637</u>	<u>20,613,060</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related	<u>473,717</u>	<u>18,685</u>	<u>492,402</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	451,544	-	451,544
Accrued Liabilities	61,505	20,243	81,748
Capital Lease Payable	12,208	-	12,208
Bond Payable	35,401	49,772	85,173
Accrued Interest Payable	61,839	-	61,839
Interfund Balances	(83,986)	83,986	-
Total Current Liabilities	<u>538,511</u>	<u>154,001</u>	<u>692,512</u>
Noncurrent Liabilities:			
Customers' Deposits Payable	-	138,424	138,424
Loan Payable	350,000	-	350,000
Net Pension Liability	2,310,289	156,959	2,467,248
Bond Payable	1,463,571	2,129,136	3,592,707
Total Noncurrent Liabilities	<u>4,123,860</u>	<u>2,424,519</u>	<u>6,548,379</u>
Total Liabilities	<u>4,662,371</u>	<u>2,578,520</u>	<u>7,240,891</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related	<u>319,512</u>	<u>12,317</u>	<u>331,829</u>
NET POSITION			
Net Investment in Capital Assets	3,851,916	8,783,570	12,635,486
Restricted For:			
Debt Service	1,560,811	-	1,560,811
Other Purposes	1,749,721	138,424	1,888,145
Unrestricted (Deficit)	(3,041,191)	489,491	(2,551,700)
Total Net Position	<u>\$ 4,121,257</u>	<u>\$ 9,411,485</u>	<u>\$ 13,532,742</u>

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

CITY OF JEANERETTE, LOUISIANA

**Statement of Activities
Year Ended June 30, 2021**

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary Government						
Governmental Activities:						
General Government	\$ 1,743,321	\$ 645,426	\$ 454,996	\$ (642,899)	\$ -	\$ (642,899)
Public Safety:						
Police	642,657	5,334	-	(637,323)	-	(637,323)
Fire	139,610	21,112	-	(118,498)	-	(118,498)
Highways and Streets	582,441	-	-	(582,441)	-	(582,441)
Interest on Debt	61,839	-	-	(61,839)	-	(61,839)
Total Governmental Activities	3,169,868	671,872	454,996	(2,043,000)	-	(2,043,000)
Business -Type Activities:						
Garbage, Water, and Sewer	1,772,473	1,678,658	-	-	(93,815)	(93,815)
Total Primary Government	\$ 4,942,341	\$ 2,350,530	\$ 454,996	(2,043,000)	(93,815)	(2,136,815)
General Revenues:						
Taxes -						
Property Taxes				634,781	-	634,781
Sales and Use Taxes				987,129	-	987,129
Franchise Taxes				204,602	-	204,602
Other Taxes				124,261	-	124,261
Grants and Contributions Not Restricted to Specific Programs -						
Federal sources				977,398	-	977,398
State Sources				4,027	-	4,027
Non-Employer Pension Contribution				44,064	2,463	46,527
Interest and Investment Earnings				10,897	474	11,371
Miscellaneous				114,999	108,684	223,683
Transfers				(978,761)	978,761	-
Total General Revenues and Transfers				2,123,397	1,090,382	3,213,779
Change in Net Position				80,397	996,567	1,076,964
Net Position, as Restated - July 1, 2020				4,040,860	8,414,918	12,455,778
Net Position - June 30, 2021				<u>\$ 4,121,257</u>	<u>\$ 9,411,485</u>	<u>\$ 13,532,742</u>

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

FUND FINANCIAL STATEMENTS

MAJOR FUNDS' DESCRIPTIONS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

1% Sales Tax Fund

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

CAPITAL PROJECTS FUND

LCDBG Sewer Treatment Plant Upgrade FY 2014-2015

To account for the receipt and use of proceeds from the Louisiana Community Development Block Grant and the State of Louisiana Capital Outlay Program. The funds will be used to improve the City's existing wastewater treatment facility.

ENTERPRISE FUND

Utility Fund

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

CITY OF JEANERETTE, LOUISIANA

**Balance Sheet
Governmental Funds
June 30, 2021**

	General	1% Sales Tax	LCDBG Sewer Treatment Plant Upgrade	Other Governmental Funds	Total
ASSETS					
Cash	\$ 164,459	\$ -	\$ 17,810	\$ 551,266	\$ 733,535
Interest-Bearing Deposits	163,796	488,877	-	526,496	1,179,169
Investments	300,117	-	-	16,056	316,173
Receivables:					
Ad Valorem	12,919	-	-	-	12,919
Due from other Funds	81,252	446	14,058	-	95,756
Due from other Governmental Units	164,665	-	327,770	-	492,435
Other Receivables	65,462	-	-	-	65,462
Prepaid Items	71,526	-	-	9,593	81,119
Total Assets	<u>\$ 1,024,196</u>	<u>\$ 489,323</u>	<u>\$ 359,638</u>	<u>\$ 1,103,411</u>	<u>\$ 2,976,568</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 91,906	\$ -	\$ 359,638	\$ -	\$ 451,544
Accrued Liabilities	66,343	-	-	2,548	68,891
Due to Other Funds	2,110	-	-	9,660	11,770
Total Liabilities	<u>160,359</u>	<u>-</u>	<u>359,638</u>	<u>12,208</u>	<u>532,205</u>
Deferred Inflows of Resources					
Unavailable Tax Revenues	<u>11,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,181</u>
Fund Balances:					
Nonspendable	71,526	-	-	9,593	81,119
Restricted	-	489,323	-	1,081,610	1,570,933
Committed	26,566	-	-	-	26,566
Unassigned	754,564	-	-	-	754,564
Total Fund Balances	<u>852,656</u>	<u>489,323</u>	<u>-</u>	<u>1,091,203</u>	<u>2,433,182</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,024,196</u>	<u>\$ 489,323</u>	<u>\$ 359,638</u>	<u>\$ 1,103,411</u>	<u>\$ 2,976,568</u>

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

CITY OF JEANERETTE, LOUISIANA

**Reconciliation of Total Governmental Fund Balance to Net Position
of Governmental Activities
June 30, 2021**

Total Fund Balances for Governmental Funds	\$ 2,433,182
Total net position reported for governmental activities in the statement of net position is different because:	
The deferred outflows of expenditures for the various pensions are not a use of current resources, and therefore, are not reported in governmental funds	473,717
The deferred inflows of contributions for the various pensions are not available resources, and therefore, are not reported in the funds	(319,512)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Land	578,049
Construction in Progress	59,141
Buildings	11,946,678
Improvements	7,092,916
Equipment, Furniture, and Fixtures	2,641,281
Accumulated Depreciation	<u>(16,590,740)</u>
	5,727,325
Certain receivables are not available to pay for current period's expenditures and, therefore, are not reported in the funds	32,467
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:	
Bonds Payable	(1,498,972)
Accrued Interest Payable	(61,839)
Compensated absences	7,386
Net Pension Liability	(2,310,289)
Loan Payable	(350,000)
Leases Payable	<u>(12,208)</u>
	(4,225,922)
Total Net Position of Governmental Activities	<u>\$ 4,121,257</u>

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

CITY OF JEANERETTE, LOUISIANA

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

	General	1% Sales Tax	LCDBG Sewer Treatment Plant Upgrade FY 2014-2015	Other Governmental Funds	Total
Revenues:					
Taxes	\$ 800,028	\$ 513,017	\$ -	\$ 529,499	\$ 1,842,544
Licenses and Permits	89,350	-	-	-	89,350
Intergovernmental	796,255	-	909,483	143,904	1,849,642
Fines and Forfeitures	13,319	-	-	-	13,319
Miscellaneous	370,048	427	-	754	371,229
Total Revenues	<u>2,069,000</u>	<u>513,444</u>	<u>909,483</u>	<u>674,157</u>	<u>4,166,084</u>
Expenditures:					
Current -					
General Government	1,205,300	-	-	144,059	1,349,359
Public Safety:					
Police	651,208	-	-	-	651,208
Fire	127,778	-	-	-	127,778
Highways and Streets	373,088	-	-	-	373,088
Capital Outlay	32,187	-	1,269,794	3,484	1,305,465
Debt Service -					
Principal Retirement	-	-	-	33,999	33,999
Interest and Fiscal Charges	-	-	-	63,241	63,241
Total Expenditures	<u>2,389,561</u>	<u>-</u>	<u>1,269,794</u>	<u>244,783</u>	<u>3,904,138</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(320,561)</u>	<u>513,444</u>	<u>(360,311)</u>	<u>429,374</u>	<u>261,946</u>
Other Financing Sources (Uses):					
Loan Proceeds	-	-	329,870	-	329,870
Transfers In	833,882	-	30,441	17,000	881,323
Transfers Out	-	(380,000)	-	(192,198)	(572,198)
Total Other Financing Sources (Uses)	<u>833,882</u>	<u>(380,000)</u>	<u>360,311</u>	<u>(175,198)</u>	<u>638,995</u>
Net Changes in Fund Balances	513,321	133,444	-	254,176	900,941
Fund Balances, Beginning (Restated)	<u>339,335</u>	<u>355,879</u>	<u>-</u>	<u>837,027</u>	<u>1,532,241</u>
Fund Balances, Ending	<u>\$ 852,656</u>	<u>\$ 489,323</u>	<u>\$ -</u>	<u>\$ 1,091,203</u>	<u>\$ 2,433,182</u>

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

CITY OF JEANERETTE, LOUISIANA

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

Year Ended June 30, 2021

Total net changes in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 900,941
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The change in net position reported for governmental activities in the
statement of activities is different because:

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

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	1,305,465	
Depreciation expense for the year ended	<u>(378,120)</u>	927,345

Repayment of debt obligations is an expenditure in the governmental funds, but reduces
the liability in the statement of net position.

Bond Payments	33,999	
Lease Payments	<u>72,979</u>	106,978

Capital assets constructed in governmental funds on behalf of proprietary fund activities are reported as capital contributions on the proprietary fund at the time of transfer and as a transfer on the government-wide statements		(1,287,886)
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Loan proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, loan proceeds increase long-term liabilities and does not affect the statement of activities.		(329,870)
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Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the governmental funds

Ad Valorem	18,878	
Non-Employer Pension Contributions	<u>44,064</u>	62,942

Expenses reported in the statements of activities are recognized when liabilities are incurred; while
expenditures are recognized at the fund level when cash payments are made. The amounts below
represent the difference between the expenses incurred at the government-wide level and the current
financial resources expended at the fund level.

Compensated Absences	7,387	
Interest Expense	1,402	
Pension Expense	<u>(78,088)</u>	(69,299)

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 governmental funds.		<u>(230,754)</u>
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Total Changes in Net Position per Statement of Activities		<u>\$ 80,397</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF JEANERETTE, LOUISIANA

Statement of Net Position Proprietary Fund June 30, 2021

	Enterprise Fund
ASSETS	
Current Assets:	
Cash and Interest-Bearing Deposits	\$ 275,127
Investments	254,990
Receivables, Net	233,686
Due From Other Funds	1,664
Prepaid Items	7,786
Total Current Assets	<u>773,253</u>
Noncurrent Assets:	
Restricted Assets -	
Cash and Interest-Bearing Deposits	249,570
Capital Assets, Net of Accumulated Depreciation	10,962,478
Total Noncurrent Assets	<u>11,212,048</u>
Total Assets	<u>11,985,301</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related	<u>18,685</u>
LIABILITIES	
Current Liabilities:	
Accrued Liabilities	20,243
Bond Payable:	
Revenue Bonds	49,772
Due To Other Funds	85,650
Total Current Liabilities	<u>155,665</u>
Noncurrent Liabilities:	
Bond Payable:	
Payable From Restricted Assets -	
Revenue Bond	2,129,136
Customers' Deposits Payable	138,424
Net Pension Liability	156,959
Total Noncurrent Liabilities	<u>2,424,519</u>
Total Liabilities	<u>2,580,184</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Related	<u>12,317</u>
NET POSITION	
Net Investment In Capital Assets	8,783,570
Unrestricted	627,915
Total Net Position	<u>\$ 9,411,485</u>

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

CITY OF JEANERETTE, LOUISIANA

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2021**

	<u>Enterprise Fund</u>
Operating Revenues:	
Charges For Services -	
Water Sales	\$ 711,303
Sewer Service Charges	476,770
Garbage Revenue	340,363
Connections and Installations	29,915
Penalties	112,048
Miscellaneous	<u>8,259</u>
Total Operating Revenues	<u>1,678,658</u>
 Operating Expenses:	
Bad Debts	3,754
Chemicals	63,689
Consulting and Testing Fees	31,802
Depreciation Expense	494,434
Garbage Service Contract	329,724
Insurance	39,994
Interest Expense	48,343
Miscellaneous	68,028
Office Expense	19,679
Payroll Taxes	2,689
Salaries and Benefits	116,239
Professional Fees	212,471
Supplies and Repairs	217,285
Utilities and Telephone	<u>124,342</u>
Total Operating Expenses	<u>1,772,473</u>
 Operating Loss	 <u>\$ (93,815)</u>

(continued)

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

CITY OF JEANERETTE, LOUISIANA

**Statement of Revenues, Expenses, and Changes in
Fund Net Position (continued)
Proprietary Fund
Year Ended June 30, 2021**

	Enterprise Fund
Nonoperating Revenues (Expenses):	
Other Revenue	\$ 108,684
Non-Employer Pension Contributions	2,463
Interest Income	474
Total Nonoperating Revenues	<u>111,621</u>
 Income Before Contributions and Transfers	 17,806
 Capital Contributions	 1,287,886
Transfers Out	<u>(309,125)</u>
 Change In Net Position	 996,567
 Net Position, Beginning	 <u>8,414,918</u>
 Net Position, Ending	 <u>\$ 9,411,485</u>

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

CITY OF JEANERETTE, LOUISIANA

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

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,708,861
Payments to Suppliers	(956,149)
Payments to Employees	(321,594)
Net Cash Provided by Operating Activities	<u>431,118</u>
Cash Flows from Noncapital Financing Activities:	
Payments From Other Funds	(318,087)
Other	111,147
Net Cash (Used In) Noncapital Financing Activities	<u>(206,940)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Property, Plant and Equipment	(13,958)
Payment on Debt	(48,605)
Net Cash (Used In) Capital and Related Financing Activities	<u>(62,563)</u>
Cash Flows from Investing Activities:	
Interest on Investments	474
Net Cash Provided By Investing Activities	<u>474</u>
Net Increase in Cash and Cash Equivalents	162,089
Cash, Cash Equivalents, and Restricted Cash, Beginning	<u>617,598</u>
Cash, Cash Equivalents, and Restricted Cash, Ending	<u>\$ 779,687</u>

(continued)

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

CITY OF JEANERETTE, LOUISIANA

Statement of Cash Flows (continued)
Proprietary Fund
Year Ended June 30, 2021

	<u>Enterprise Fund</u>
Reconciliation of Operating Loss to Net Cash Provided By Operating Activities:	
Operating Loss	\$ (93,815)
Adjustments to Reconcile Operating Loss to Net Cash Provided By Operating Activities:	
Depreciation	494,434
Bad Debt	3,754
Changes in Current Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	26,449
(Increase) Decrease in Prepaid Items	(5,775)
(Increase) Decrease in Deferred Outflow - Pension Balances	22,838
Increase (Decrease) in Accounts Payable	(5,744)
Increase (Decrease) in Accrued Liabilities	66
Increase (Decrease) in Net Pension Liability	(12,870)
Increase (Decrease) in Customer Deposits	1,945
Increase (Decrease) in Deferred Inflow - Pension Balances	<u>(163)</u>
Net Cash Provided By Operating Activities	<u>\$ 431,119</u>
Reconciliation of Cash and Cash Equivalents Per Statement of Cash Flows to the Balance Sheet:	
Cash and Cash Equivalents, Beginning of Period -	
Cash - Unrestricted	\$ 432,344
Cash - Restricted	<u>185,254</u>
Total Cash and Cash Equivalents	<u>617,598</u>
Cash and Cash Equivalents, End of Period -	
Cash - Unrestricted	530,117
Cash - Restricted	<u>249,570</u>
Total Cash and Cash Equivalents	<u>779,687</u>
Net Increase in Cash and Cash Equivalents	<u>\$ 162,089</u>

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

CITY OF JEANERETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

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

Jeanerette Volunteer Fire Department

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

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

A. Financial Reporting Entity - continued

Jeanerette City Court

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

Bicentennial Park and Museum Board -

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

B. Basis of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation - continued

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

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

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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

General Fund

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

Special Revenue Fund

1% Sales Tax Fund

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

Capital Projects Fund

Sewer Treatment Plant Upgrade FY2014-2015

This fund is currently being used to account for the receipt and use of proceeds from the Office of Community Development, Department of Environmental Quality and Division of Administration, Facility Planning and Control. The funds are being used to perform needed improvements to the City's sewer system.

Proprietary Fund

Enterprise Fund

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

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation - continued

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds

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

Debt Service Funds

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

Capital Project Funds

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

C. Measurement Focus/Basis of Accounting

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

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 below.

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

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available expendable financial resources during a given period. These funds use fund balance as their measure of available expendable financial resources at the end of the period.

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.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Measurement Focus/Basis of Accounting - continued

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

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 fair market value.

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

Interfund receivables and payables

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

Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

Receivables

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

Capital Assets

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

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

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

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

Buildings	40 years
Equipment	5-7 years
Utility System and Improvements	25 years
Infrastructure	20-50 years

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

Restricted Assets

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

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Long-Term Debt

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

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. Long-term debt consists primarily of compensated absences payable, rental deposits payable, bonds payable and utility meter deposits payable.

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

Compensated Absences

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

Equity Classifications

Government-Wide Financial Statements

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

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) laws through constitutional provisions or enabling legislation.

Unrestricted - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements

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

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Alderman. The Board is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Board members.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, only the Board of Alderman may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

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

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

In the fund financial statements, expenditures are classified by function and character in governmental funds and as operating or non-operating in proprietary funds.

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

Interfund Transfers

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

F. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Ad Valorem tax	See Note 8
Sales tax	See Note 9

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

G. Capitalization of Interest Expense

It is the policy of the City to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2021, there were no borrowings for assets under construction which resulted in the capitalization of interest expense.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

H. Use of Estimates

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

(2) CASH, INTEREST-BEARING DEPOSITS AND INVESTMENTS

Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2021, the City had cash and interest-bearing deposits (book balances) totaling \$2,447,497 as follows:

Demand Deposits	\$ 2,344,494
Time Deposits	103,003
Total	<u>\$ 2,447,497</u>

Under state law, deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the City or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2021, were secured as follows:

Bank Balances	<u>\$ 2,680,709</u>
Federal Deposit Insurance	\$ 355,525
Pledged Securities	<u>2,350,000</u>
Total FDIC Insurance and Pledged Securities	<u>\$ 2,705,525</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered, or the City will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. The City does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. At June 30, 2021, deposits in the amount of \$2,325,184 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.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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

Investments

At June 30, 2021, the City's investments totaled \$571,163 as follows:

Description	Approximate Fair Value
Governmental Activities:	
Louisiana Asset Management Pool (LAMP)	\$ 316,173
Business-Type Activities:	
Louisiana Asset Management Pool (LAMP)	254,990
Total	<u>\$ 571,163</u>

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

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

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

Credit Risk - LAMP is rated AAAM by Standard & Poor's.

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

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

Interest Rate Risk - LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 53 (from LAMP's monthly Historical Yield Information) as of June 30, 2021.

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

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP. The value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

CITY OF JEANERETTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

(3) RECEIVABLES

Receivables at June 30, 2021, consist of the following:

	Governmental Activities	Business-Type Activities	Total
Accounts Receivable	\$ -	\$ 319,040	\$ 319,040
Ad Valorem	356,771	-	356,771
Other Receivables	65,462	-	65,462
Due from Other Governments	492,436	-	492,436
Less: Allowance for Uncollectible	(314,793)	(85,354)	(400,147)
Net Receivables	<u>\$ 599,876</u>	<u>\$ 233,686</u>	<u>\$ 833,562</u>

(4) RESTRICTED ASSETS

Restricted assets consisted of the following at June 30, 2021:

	Business- Type Activities
Cash and Interest-Bearing Deposits	<u>\$ 249,570</u>

(5) CAPITAL ASSETS

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

	Restated Balance 7/1/20	Additions	Disposals	Transfers	Balance 6/30/21
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 578,049	\$ -	\$ -	\$ -	\$ 578,049
CIP	77,233	59,141	-	(77,233)	59,141
Capital Assets Being Depreciated:					
Buildings	11,946,678	-	-	-	11,946,678
Improvements, Other Than Buildings	7,092,916	1,210,653	-	(1,210,653)	7,092,916
Equipment, Furniture, and Fixtures	2,605,610	35,671	-	-	2,641,281
Totals	<u>22,300,486</u>	<u>1,305,465</u>	<u>-</u>	<u>(1,287,886)</u>	<u>22,318,065</u>
Less: Accumulated Depreciation					
Buildings	10,748,795	39,054	-	-	10,787,849
Improvements, Other Than Buildings	3,639,737	192,545	-	-	3,832,282
Equipment, Furniture, and Fixtures	1,824,087	146,521	-	-	1,970,608
Total Accumulated Depreciation	<u>16,212,619</u>	<u>378,120</u>	<u>-</u>	<u>-</u>	<u>16,590,739</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,087,867</u>	<u>\$ 927,345</u>	<u>\$ -</u>	<u>\$ (1,287,886)</u>	<u>\$ 5,727,326</u>

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(5) CAPITAL ASSETS - continued

	Balance 7/1/20	Additions	Disposals	Transfers	Balance 6/30/21
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land - Sewer System	\$ 71,602	\$ -	\$ -	\$ -	\$ 71,602
Capital Assets Being Depreciated:					
Water System	15,444,353	-	-	-	15,444,353
Sewer System	4,148,959	-	-	1,287,886	5,436,845
Machinery and Equipment	272,581	13,958	(7,400)	-	279,139
Totals	19,937,495	13,958	(7,400)	1,287,886	21,231,939
Less: Accumulated Depreciation					
Water System	7,737,394	354,372	-	-	8,091,766
Sewer System	1,836,698	114,501	-	-	1,951,199
Machinery and Equipment	208,335	25,561	(7,400)	-	226,496
Total Accumulated Depreciation	9,782,427	494,434	(7,400)	-	10,269,461
Business-Type Activities Capital Assets, Net	\$ 10,155,068	\$ (480,476)	\$ -	\$ 1,287,886	10,962,478

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 95,803
Public Safety	
Police	67,315
Fire	5,649
Highways and Streets	209,353
Total Depreciation Expense - Governmental Activities	\$ 378,120
Business-Type Activities:	
Water	\$ 354,372
Sewer	114,501
Machinery and Equipment	25,561
Total Depreciation Expense - Business-Type Activities	\$ 494,434

During the fiscal year ended June 30, 2021, the Sewer Treatment Plant Upgrade project was completed and transferred from the LCDBG Capital Project Fund to the Utility Fund. The transaction was recorded on the proprietary fund as a capital contribution in the amount of \$1,287,886 and as a transfer between funds on the government-wide statements.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(6) ACCOUNTS AND OTHER PAYABLES

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

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Accounts Payable	\$ 451,543	\$ -	\$ 451,543
Accrued Liabilities	<u>61,505</u>	<u>20,243</u>	<u>81,748</u>
Totals	<u>\$ 513,048</u>	<u>\$ 20,243</u>	<u>\$ 533,291</u>

(7) LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions of the City for the year ended June 30, 2021:

	<u>07/01/20 Restated</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>06/30/21</u>	<u>Due Within One Year</u>
Governmental Activities:					
General					
Obligation Bond	\$ 1,532,971	\$ -	\$ 33,999	\$ 1,498,972	\$ 35,401
Capital Leases Payable	85,187	-	72,979	12,208	12,208
Loan Payable	-	350,000	-	350,000	-
Net Pension Liability	<u>2,423,128</u>	<u>-</u>	<u>112,839</u>	<u>2,310,289</u>	<u>-</u>
Total Long-Term Liabilities	<u>\$ 4,041,286</u>	<u>\$ 350,000</u>	<u>\$ 219,817</u>	<u>\$ 4,171,469</u>	<u>\$ 47,609</u>
Business-Type Activities:					
Customers' Deposits					
Payable	\$ 136,479	\$ 1,945	\$ -	\$ 138,424	\$ -
Net Pension Liability	169,829	-	12,870	156,959	-
Revenue Bond	<u>2,227,513</u>	<u>-</u>	<u>48,605</u>	<u>2,178,908</u>	<u>49,772</u>
Total Long-Term Liabilities	<u>\$ 2,533,821</u>	<u>\$ 1,945</u>	<u>\$ 61,475</u>	<u>\$ 2,474,291</u>	<u>\$ 49,772</u>

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(7) LONG-TERM LIABILITIES - continued

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

The liability for capital leases is expected to be liquidated by the fund incurring the liability.

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

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

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

Governmental Activities:

	<u>Total</u>	<u>Current Portion</u>
General Obligation Bonds:		
\$1,870,000 - 2005 General Obligation Bonds due in annual installments of \$20,000 to \$94,000 through 7/13/2045; interest at 4.125% payable from the levy of a specific ad valorem tax	<u>\$ 1,498,972</u>	<u>\$ 35,401</u>

Capital Lease:

\$67,776 - Lease-purchase agreement dated July 15, 2017, due in monthly installments of \$1,149 bearing interest at 7.07% through July 2022; secured by equipment	<u>\$ 12,208</u>	<u>\$ 12,208</u>
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Business-Type Activities:

	<u>Total</u>	<u>Current Portion</u>
USDA Revenue Bond		
\$2,463,000 - Revenue bond due in monthly installments of \$8,079 through 12/10/2055; interest at 2.375%; payable from sewer revenues	<u>\$ 2,178,908</u>	<u>\$ 49,772</u>

CITY OF JEANERETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

(7) LONG-TERM LIABILITIES - continued

The annual requirements to amortize all long-term debt outstanding as of June 30, 2021, including interest payments, are as follows:

Year Ending June 30	Governmental Activities General Obligation Bonds		Business-Type Activities USDA Revenue Bond		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021-2025	\$ 192,231	\$ 293,975	\$ 206,373	\$ 223,639	\$ 398,604	\$ 517,614
2026-2030	235,280	250,920	287,095	155,424	522,375	406,344
2031-2035	287,978	198,222	323,257	161,484	611,235	359,706
2036-2040	352,480	133,720	363,973	120,767	716,453	254,487
2041-2045	431,003	54,770	409,817	74,923	840,820	129,693
2046-2050	-	-	418,544	23,486	418,544	23,486
2051-2055	-	-	169,849	20,170	169,849	20,170
	<u>\$ 1,498,972</u>	<u>\$ 931,607</u>	<u>\$ 2,178,908</u>	<u>\$ 779,893</u>	<u>\$ 3,677,880</u>	<u>\$1,711,500</u>

In accordance with Louisiana Revised Statute 39:562, the City is legally restricted from incurring long-term bonded debt payable solely from ad valorem taxations in excess of 35% of the assessed value of taxable property. At June 30, 2021, the statutory limit is \$5,919,235 and the outstanding bonded debt funded by ad valorem taxes, including interest, total \$2,178,908.

In March 2020, the City was approved for a loan in the amount of \$350,000 from the State of Louisiana, Department of Environmental Quality, Office of Environmental Assessment to assist in water infrastructure improvements. The loan bears interest at 0.0% with 100% principal forgiveness if certain loan provisions are followed. As of June 30, 2021, \$350,000 has been drawn on the loan. See Note (22) – Subsequent Events.

(8) AD VALOREM TAXES

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

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

For the year ended June 30, 2021, taxes of 37.41 mills were levied on property with assessed valuations totaling \$16,912,101 and were dedicated as follows:

General Corporate Purposes	28.73 mills
Debt Service:	
Water System Improvements	5.00 mills
General Obligation Bonds	3.68 mills

Total taxes levied for the year ended June 30, 2021, were \$632,682.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(9) SALES AND USE TAX

A. Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the City (2021 collections, \$513,017; 2020 collections, \$508,096; and 2019 collections, \$525,319) dedicated to the following purposes:

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

B. Sales and Use Tax (1973)

Proceeds of a sales and uses tax levied by the City beginning in 1973 (2021 collections, \$128,254; 2020 collections, \$127,024; and 2019 collections, \$131,330) are dedicated to the following purposes:

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

C. Sales and Use Tax (1985)

Proceeds of a 1/4% sales and use tax levied by the City (2021 collections, \$128,254; 2020 collections, \$127,024; and 2019 collections, \$131,330) beginning in April 1985 are dedicated to and may be used for any lawful corporate purpose.

D. Sales and Use Tax (2004)

Proceeds of a 1/4% sales and use tax levied by the City (2021 collections, \$128,254; 2020 collections, \$127,024; and 2019 collections, \$131,330) beginning in April 2004 are dedicated to and may be used for any lawful corporate purpose.

CITY OF JEANERETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

(10) RETIREMENT PLANS

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

Municipal Employees' Retirement System

Plan Description

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

The System is composed of two distinct plans - Plan A and Plan B – with separate assets and benefit provisions. All participants at the City are members of Plan A. Under Plan A employees who retire at or after age 60 with at least 10 years of creditable service or at or any age with at least 25 years of creditable service are entitled to retirement benefits, payable monthly for life, equal to 3% of their final average salary multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. An additional regular retirement benefit can be received for any city marshal or deputy city marshal. See Plan Booklet for further details.

Funding Policy

Contributions to the System include $\frac{1}{4}$ of 1% of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge. These tax dollars are divided between Plans A and B, based proportionately on the salaries of the active members of each plan. State statutes require covered employees to contribute a percentage of their salaries to the System.

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. Plan members are required to contribute 9.5% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 27.75% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2021, 2020 and 2019 were \$208,575, \$213,951, and \$202,081 respectively, equal to the required contribution for each year.

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

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

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Municipal Employees' Retirement System - continued

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

At June 30, 2021, the City reported a liability totaling \$1,743,990 for its proportionate share of the net pension liability for the Fund. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net Pension was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City's proportion was 0.403383% for the Fund.

For the year ended June 30, 2021, the City recognized pension expense for the Fund totaling \$126,054. Deducted from pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions total \$(553) for the Fund.

For the year ended June 30, 2021, the City recognized revenue from ad valorem taxes and revenue sharing funds received by the Fund. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities totaling \$27,366.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the Fund:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 809	\$ 9,886
Change in assumptions	29,340	-
Changes in proportion	-	126,979
Net difference between projected and actual earning on pension plan investments	174,033	-
Changes in proportion and difference between employer contributions and proportional share of contributions	(212,851)	-
Contributions subsequent to measurement date	216,291	-
	<u>\$ 207,622</u>	<u>\$ 136,865</u>

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Municipal Employees' Retirement System - continued

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

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

Year Ended June 30:

2021	\$ 4,085
2022	(6,082)
2023	38,071
2024	24,957
	<u>\$ 61,031</u>

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Municipal Employees' Retirement System – continued

Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation for the Fund was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2020	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.95%, net of pension plan investment expense, including inflation	
Expected Remaining Service Lives	3 years	
Inflation Rate	2.50%	
Salary increases, including inflation and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1 – 4	6.40%
	Over 4	4.50%
Annuitant and Beneficiary Mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.	
Employee Mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.	
Disabled Lives Mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.	

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Municipal Employees' Retirement System - continued

Discount Rate

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Entity	53%	2.33%
Public Fixed Income	38%	1.67%
Alternatives	9%	0.40%
Totals	<u>100%</u>	<u>4.40%</u>
Inflation		2.60%
Expected Arithmetic Nominal Return		<u>7.00%</u>

The discount rate used to measure the total pension liability was 6.95% for the year ended June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in the Discount Rate

The following presents the City's proportionate share of the Net Pension Liability using the discount rate of 6.95%, as well as what the City's proportionate share of the Net Pension Liability would be if it were calculated using a discounted rate that is one percentage point lower, or one percentage point higher than the current rate (assuming all other assumptions remain unchanged):

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Municipal Employees' Retirement System - continued

Sensitivity to Changes in the Discount Rate - continued

	Changes in Discount Rate		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.95%	6.95%	7.95%
Net Pension Liability	<u>\$ 2,268,739</u>	<u>\$ 1,743,990</u>	<u>\$ 1,300,292</u>

Retirement System Audit Report

Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone audit report on their financial statements for the year ended June 30, 2020. Access to the report can be found on the System's website, www.mersla.com, or on the Louisiana Legislative Auditor's website, www.lla.la.gov.

Municipal Police Employees' Retirement System

Plan Description

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

Membership Prior to January 1, 2013

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

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

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent (40%-60%) of the members' average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent (10%) of the member's average final compensation or \$200 per month, whichever is greater.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Municipal Police Employees' Retirement System - continued

Membership Prior to January 1, 2013 - continued

Member eligibility for regular retirement, early retirement, disability, and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he or she has been a member of the System with 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent (3%) and two and a half percent (2 ½%), respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent (25%-55%) of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent (10%) of average final compensation or \$200 per month, whichever is greater. If a deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Funding Policy

Contributions to the System include 1/4 of 1% of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge. State statutes require covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Plan members are required to contribute 10% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 32.25% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2021, 2020, and 2019 were \$85,123, \$63,600, and \$44,356, respectively, equal to the required contribution for each year. Under present statutes, the City does not guarantee the benefits granted by the System. A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Police Employees' Retirement System, P. O. Box 94095, Baton Rouge, LA 70804-9095.

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

At June 30, 2021, the City reported a liability totaling \$598,321 for its proportionate share of the net pension liability for the Fund. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Municipal Police Employees' Retirement System - continued

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

The City's proportion of the Net Pension was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's proportion was 0.064737% for the Fund.

For the year ended June 30, 2021, the City recognized pension expense for the Fund totaling \$42,746. Deducted from pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions total \$(16,740) for the Fund.

For the year ended June 30, 2021, the City recognized revenue from ad valorem taxes and revenue sharing funds received by the Fund. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities totaling \$14,111.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 23,567
Change in assumptions	14,217	14,766
Net difference between projected and actual earning on pension plan investments	71,781	-
Changes in proportion and difference between employer contributions and proportional share of contributions	(52,576)	112,385
Contributions subsequent to the measurement period	86,432	-
	<u>\$ 119,854</u>	<u>\$ 150,718</u>

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Municipal Police Employees' Retirement System - continued

Actuarial Methods and Assumptions

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

Year Ended June 30:

2021	\$ (58,734)
2022	(37,295)
2023	11,072
2024	13,633
	<u>\$ (71,324)</u>

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Municipal Police Employees' Retirement System - continued

Actuarial Methods and Assumptions

Valuation Date June 30, 2020

Actuarial Cost Method Entry Age Normal Cost

Investment Rate of Return 6.95%, net of investment expense

Expected Remaining
Service Lives 2020 - 4 years
 2019 - 4 years
 2018 - 4 years
 2017 - 4 years

Inflation Rate 2.50%

Salary increases, including inflation and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1 – 2	12.30%
	Above 2	4.70%

Mortality For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.

For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

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

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Municipal Police Employees' Retirement System - continued

Actuarial Methods and Assumptions - continued

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014 through June 30, 2019, and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

The best estimates of the arithmetic rates of return for each major asset class included in the System's target allocation as of June 30, 2020, are summarized in the following table:

Asset Class	June 30, 2020	
	Target Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	48.50%	3.08%
Fixed Income	33.50%	0.54%
Alternative	18.00%	1.02%
Totals	100.00%	4.64%
Inflation		2.55%
Expected Nominal Return		7.19%

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Municipal Police Employees' Retirement System - continued

Sensitivity to Changes in the Discount Rate

The following presents the City's proportionate share of the Net Pension Liability using the discount rate of 6.95%, as well as what the City's proportionate share of the Net Pension Liability would be if it were calculated using a discounted rate that is one percentage point lower, 5.95%, or one percentage point higher, 7.95%, than the current rate as of June 30, 2020:

	Changes in Discount Rate		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.95%	6.95%	7.95%
Net Pension Liability	\$ 840,577	\$ 598,321	\$ 395,805

Retirement System Audit Report

Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone audit report on their financial statements for the year ended June 30, 2020. Access to the report can be found on the System's website: www.lampers.org or on the Office of Louisiana Legislative Auditor's website, www.lla.la.gov.

Firefighters' Retirement System

Plan Description

All employees of the City's Fire Department are members of the Firefighters' Retirement System of Louisiana, a multiple-employer retirement system (FRS) controlled and administered by a separate board of trustees. Membership is mandatory for any full-time firefighter who earns more than \$375 per month, excluding state supplemental pay and are employed by any municipality, parish, or fire protection district of the State of Louisiana, except for Orleans Parish and the City of Baton Rouge.

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

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

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

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Firefighters' Retirement System - continued

Contributions

Contribution requirements for employers, non-employer contributing entities, and employees are established and may be amended in accordance with Title 11 and Title 22 of the Louisiana Revised Statutes.

Employer and Employee Contributions

According to state statute, employer contributions are actuarially-determined each year. For the year ended June 30, 2020, employer and employee contribution rates for members above the poverty line were 27.75% and 10.00%, respectively. The employer and employee contribution rate for those members below the poverty line were 29.75% and 8.00%, respectively. The City's contributions to the system for the years ended June 30, 2021, 2020, and 2019 were \$14,633, \$12,444, and \$ -0- respectively, equal to the required contribution for each year. Under present statutes, the City does not guarantee the benefits granted by the System.

Non-employer Contributions

According to state statute, the System receives insurance premium assessments for the state of Louisiana. The assessment is considered support from a non-employer contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2020, and were excluded from pension expense. Non-employer contributions received by the City during the year ended June 30, 2020, were \$5,050.

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

At June 30, 2021, the City reported a liability totaling \$124,941 for its proportionate share of the net pension liability for the Fund. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net Pension was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City's proportion was 0.0180255% for the Fund.

For the year ended June 30, 2021, the City recognized pension expense for the Fund totaling \$20,876. Deducted from pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions total \$ (1,191) for the Fund.

For the year ended June 30, 2021, the City recognized revenue from ad valorem taxes and revenue sharing funds received by the Fund. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities totaling \$5,050.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Firefighters' Retirement System - continued

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

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the Fund:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,994
Change in assumptions	12,078	8
Net difference between projected and actual earning on pension plan investments	13,759	-
Changes in proportion and difference between employer contributions and proportional share of contributions	59,468	36,251
Contributions subsequent to the measurement date	14,633	-
	<u>\$ 99,938</u>	<u>\$ 44,245</u>

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

2021	\$ 2,325
2022	5,641
2023	9,593
2024	16,777
2025	14,664
2026	768
	<u>\$ 49,768</u>

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Firefighters' Retirement System - continued

Actuarial Methods and Assumptions

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.00% per annum (net of investment expenses, including inflation) (decreased from 7.15% in 2019)
Expected Remaining Service Lives	7 years, closed period
Inflation Rate	2.50% per annum
Salary Increases	14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases (in 2019, salary increases ranged from 14.75% in the first two years of service to 4.50% with 25 or more years of service)
Cost-of-Living Adjustments (COLAs)	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.

The mortality rate assumptions were updated in fiscal year 2020 to reflect changes from the recent experience study and rates set in the Pub-2010 Public Retirement Plans mortality tables, as compared to the RP-2000 Combined Healthy and Disabled Lives tables that were used for the previous valuation. For the June 30, 2020 valuation, assumptions for mortality rates were based on the following: a) for active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees b) for annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees c) for disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees d) in all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Firefighters' Retirement System - continued

Actuarial Methods and Assumptions - continued

The estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation and the G.S. Curran & Company Consultant Average study for 2020. The consultants' average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long-term rates of return. In order to arrive at long-term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2020.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2020, are summarized in the following tables:

Asset Class	Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	26.00%	5.72%
	Non - U.S. Equity	12.00%	6.24%
	Global Equity	10.00%	6.23%
	Emerging Market Equity	6.00%	8.61%
Fixed Income	U.S. Core Fixed Income	26.00%	1.00%
	Emerging Market Debt	5.00%	3.40%
Alternative	Real Estate	6.00%	4.20%
	Private Equity	9.00%	10.29%
Multi-Asset Strategies	Global Tactical Asset Allocation	0.00%	4.22%
	Risk Parity	0.00%	4.22%
		100.00%	

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(10) RETIREMENT PLANS - continued

Firefighters' Retirement System - continued

Sensitivity to Changes in Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of June 30, 2020.

	Changes in Discount Rate		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	<u>\$ 180,476</u>	<u>\$ 124,941</u>	<u>\$ 78,586</u>

(11) OTHER POST EMPLOYMENT BENEFITS

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

(12) CONTINGENCIES AND COMMITMENTS

Litigation and Claims

There is a claim presently pending against the City as of June 30, 2021. In the pending claim, legal counsel and elected officials are of the opinion that any unfavorable outcome in these cases would be within the limits of the City's insurance coverage.

Grant Audits

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

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(13) RISK MANAGEMENT

The City is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. The City is insured up to policy limits for each of the above risks. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years.

(14) INTERFUND TRANSACTIONS

Interfund Balances

The composition of interfund balances at June 30, 2021, consisted of the following:

Due To	Due From			Total
	General	Utility	Other Governmental Funds	
General	\$ -	\$ 71,592	\$ 9,660	\$ 81,252
Utility	1,664	-	-	1,664
1% Sales Tax	446	-	-	446
LCDBG Sewer Treatment Plant Upgrade	-	14,058	-	14,058
Totals	<u>\$ 2,110</u>	<u>\$ 85,650</u>	<u>\$ 9,660</u>	<u>\$ 97,420</u>

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

Interfund Transfers

Transfers Out	Transfers In			Total
	General	Other Governmental	Utility	
1% Sales Tax	\$ 380,000	\$ -	\$ -	\$ 380,000
Utility	278,684	30,441	-	309,125
Other Governmental	175,198	17,000	1,287,886	1,480,084
Totals	<u>\$ 833,882</u>	<u>\$ 47,441</u>	<u>\$ 1,287,886</u>	<u>\$ 2,169,209</u>

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(14) INTERFUND TRANSACTIONS - continued

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.

(15) FUND BALANCE

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

	<u>General</u>	<u>1% Sales Tax</u>	<u>LCDBG Sewer Upgrade</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund Balances:					
Nonspendable -					
Prepaid Items	\$ 71,526	\$ -	\$ -	\$ 9,593	\$ 81,119
Total Fund Balances -					
Nonspendable	<u>71,526</u>	<u>-</u>	<u>-</u>	<u>9,593</u>	<u>81,119</u>
Restricted For -					
Special Programs					
Sales and Use Tax					
Restrictions	<u>-</u>	<u>489,323</u>	<u>-</u>	<u>1,081,610</u>	<u>1,570,933</u>
Total Fund Balances -					
Restricted	<u>-</u>	<u>489,323</u>	<u>-</u>	<u>1,081,610</u>	<u>1,570,933</u>
Committed -					
Public Safety	<u>26,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,566</u>
Total Fund Balances -					
Committed	<u>26,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,566</u>
Unassigned	<u>754,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>754,564</u>
Total Fund Balances -					
Unassigned	<u>754,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>754,564</u>
Total Fund Balances	<u>\$ 852,656</u>	<u>\$ 489,323</u>	<u>\$ -</u>	<u>\$ 1,091,203</u>	<u>\$ 2,433,182</u>

(16) PRIOR PERIOD RESTATEMENTS

During the fiscal year ended June 30, 2021, the City voided, what they believe to be invalid, outstanding checks in the HUD Section 8 fund. This resulted in a \$4,914 increase in fund balance. The City no longer manages the HUD Section 8 program.

During the fiscal year ended June 30, 2021, the City identified two assets that were not previously recorded on the depreciation schedule. The net effect of this adjustment, after accumulated depreciation, is a \$3,229 increase in net position.

CITY OF JEANERETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

(16) PRIOR PERIOD RESTATEMENTS - continued

In a prior year, the capital lease payable for equipment was recorded using the incorrect finance amount. The beginning balance of the liability was restated resulting in an increase to net position of \$14,110.

These changes resulted in a restatement of previously reported fund balance/net position as follows:

	HUD Section 8	Government Activities
As Previously Reported	\$ 283	\$ 4,018,607
Restatement:		
Voiding of Outstanding Checks	4,914	4,914
Recordation of Fixed Assets, Net	-	3,229
Reduction of Capital Lease Payable	-	14,110
Restated as of June 30, 2020	<u>\$ 5,197</u>	<u>\$ 4,040,860</u>

(17) ON-BEHALF PAYMENTS OF SALARIES

The State of Louisiana paid the City's policemen, Fire Chief and the City Marshal \$34,650, \$6,000, and \$29,500, respectively of supplemental pay during the year ended June 30, 2021. That amount is included in the accompanying financial statements as intergovernmental revenues and expenses.

(18) COMPENSATION OF CITY OFFICIALS

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

Board of Alderman	Compensation	Term Expires
Garland Bourgeois	\$ 5,100	June 30, 2023
Clarence Clark	\$ 5,100	June 30, 2023
Louis Lancon	\$ 5,100	June 30, 2023
Dorothy Moore	\$ 5,100	June 30, 2023
Willie Ward	\$ 5,100	June 30, 2023

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

A detail of compensation, benefits, and other payments paid to the Mayor (Carol Bourgeois, Jr.) for the year ended June 30, 2021:

Purpose	Amount
Salary and Benefits	\$ 28,281
Vehicle Allowance	\$ 3,600

(20) UNCERTAINTIES

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. While the City does not yet know the full effect of the impact to the global economy as a whole, the effects could have an impact on the City's business, results of operations, liquidity, and financial condition.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(21) NEW ACCOUNTING PRONOUNCEMENT

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, Fiduciary Activities. The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries.

The provisions of GASB Statement No. 84, Fiduciary Activities are effective for reporting periods beginning after December 15, 2019. The City implemented this standard effective July 1, 2020. The effect of this change on the City resulted in the Payroll and Disbursement funds no longer meeting the definition of a fiduciary activity. The City uses the Payroll and Disbursement funds as a clearing account for payroll and accounts payable activities. Based on GASB Statement No. 84, Fiduciary Activities, although the City has control of the assets because it has custody of the cash withheld, the unremitted amounts for payroll taxes, other payroll liabilities and accounts payable in the clearing accounts are a liability of the City. The activities of the Payroll and Disbursement funds are reported in the General Fund for the June 30, 2021, year-end.

(22) NEW ACCOUNTING PRONOUNCEMENTS TO BE IMPLEMENTED

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after June 15, 2021. The City will implement this standard effective July 1, 2021. The effect of implementation on the City's financial statements has not yet been determined.

The GASB issued Statement 89, Accounting for Interest Cost Incurred before the End of a Construction Period in June 2018. This statement establishes accounting requirements for interest cost before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The City will include the requirements of this standard, as applicable, in its June 30, 2022, financial statement. The effect of this standard or its applicability to the City is unknown at this time.

(23) SUBSEQUENT EVENTS

The City has evaluated subsequent events through December 20, 2021, the date which the financial statements were available to be issued.

- Around August/September 2021 - The City received the results of the 2020 United States Census which indicate the City does not have the population (5,000 individuals) to be considered a City. The count is currently being reviewed. If the current count of 4,813 stands, the change from City to Town goes into effect during the 2021-2022 fiscal year.
- During August 2021, the City received \$964,945 of funds allocated to the City from the Department of the Treasury. These funds are related to the American Rescue Plan Act of 2021. The City has not finalized their plans for use of these funds, however, the use will be in accordance with the restrictions outlined by the Treasury.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

(23) SUBSEQUENT EVENTS - continues

- During October 2021, the State of Louisiana, Department of Environmental Quality, forgave the \$350,000 loan listed as part of Note 7 - Long-Term Liabilities.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JEANERETTE, LOUISIANA

**General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 800,146	\$ 800,146	\$ 800,028	\$ (118)
Licenses and Permits	78,575	78,575	89,350	10,775
Intergovernmental	377,670	377,670	490,713	113,043
Fines and Forfeits	13,000	13,000	13,319	319
Miscellaneous	355,500	691,000	675,590	(15,410)
Total Revenues	<u>1,624,891</u>	<u>1,960,391</u>	<u>2,069,000</u>	<u>108,609</u>
Expenditures:				
General Government	1,242,267	1,158,667	1,205,300	(46,633)
Public Safety:				
Police	601,030	603,530	651,208	(47,678)
Fire	127,841	147,141	127,778	19,363
Highways and Streets	403,619	403,619	373,088	30,531
Capital Outlay	-	-	32,187	(32,187)
Total Expenditures	<u>2,374,757</u>	<u>2,312,957</u>	<u>2,389,561</u>	<u>(76,604)</u>
 Deficiency of Revenues over Expenditures	 <u>(749,866)</u>	 <u>(352,566)</u>	 <u>(320,561)</u>	 <u>32,005</u>
Other Financing Sources:				
Transfers In	780,000	780,000	833,882	53,882
Transfers Out	-	-	-	-
Total other Financing Sources	<u>780,000</u>	<u>780,000</u>	<u>833,882</u>	<u>53,882</u>
 Net Changes in Fund Balances	 30,134	 427,434	 513,321	 85,887
 Fund Balance, Beginning	 <u>339,335</u>	 <u>339,335</u>	 <u>339,335</u>	 <u>-</u>
 Fund Balance, Ending	 <u>\$ 369,469</u>	 <u>\$ 766,769</u>	 <u>\$ 852,656</u>	 <u>\$ 85,887</u>

CITY OF JEANERETTE, LOUISIANA

**Special Revenue Fund
1% Sales Tax Fund**

**Budgetary Comparison Schedule
Year Ended June 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 425,000	\$ 500,000	\$ 513,017	\$ 13,017
Miscellaneous - Interest	<u>725</u>	<u>725</u>	<u>427</u>	<u>(298)</u>
Total Revenues	<u>425,725</u>	<u>500,725</u>	<u>513,444</u>	<u>12,719</u>
Expenditures:				
General Government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>425,725</u>	<u>500,725</u>	<u>513,444</u>	<u>12,719</u>
Other Financing (Uses):				
Transfers Out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(380,000)</u>	<u>20,000</u>
Total other Financing (Uses)	<u>(400,000)</u>	<u>(400,000)</u>	<u>(380,000)</u>	<u>20,000</u>
Net Changes in Fund Balances	25,725	100,725	133,444	32,719
Fund Balances, Beginning	<u>355,879</u>	<u>355,879</u>	<u>355,879</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 381,604</u>	<u>\$ 456,604</u>	<u>\$ 489,323</u>	<u>\$ 32,719</u>

CITY OF JEANERETTE, LOUISIANA

**NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2021**

1) Basis of Accounting

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

2) Budget Adoption

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

- a) The City Clerk prepares a proposed budget and submits it to the Mayor and Board for the fiscal year no later than 45 days prior to the beginning of each fiscal year.
- b) A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c) A public hearing is held on the proposed budget at least 10 days after publication of the call for the hearing.
- d) After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- e) Budgetary amendments involving the transfers of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Alderman.
- f) All budgetary appropriations lapse at the end of each year, except for capital expenditures.
- g) Budgetary control is exercised at the fund level.

CITY OF JEANERETTE, LOUISIANA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
AND CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2021

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
Municipal Employees' Retirement System of Louisiana										
2015	0.462025%	\$ 1,185,763	\$ 827,131	143.36%	73.99%	\$ 155,087	\$ 155,087	\$ -	\$ 827,131	18.75%
2016	0.537571%	\$ 1,920,288	\$ 1,049,325	183.00%	66.18%	\$ 181,207	\$ 181,207	\$ -	\$ 917,503	19.75%
2017	0.571040%	\$ 2,340,528	\$ 771,604	303.33%	62.11%	\$ 152,392	\$ 139,492	\$ 12,900	\$ 771,604	18.08%
2018	0.527700%	\$ 2,207,792	\$ 789,189	279.75%	62.49%	\$ 179,540	\$ 218,042	\$ (38,502)	\$ 789,189	27.63%
2019	0.456807%	\$ 1,891,491	\$ 834,004	226.80%	63.94%	\$ 206,416	\$ 202,081	\$ 4,335	\$ 834,004	24.23%
2020	0.451578%	\$ 1,886,992	\$ 835,959	225.73%	64.68%	\$ 217,349	\$ 221,030	\$ (3,681)	\$ 835,959	26.44%
2021	0.403383%	\$ 1,743,990	\$ 770,996	226.20%	64.52%	\$ 213,951	\$ 213,951	\$ -	\$ 770,996	27.75%
Municipal Police Employees' Retirement System of Louisiana										
2015	0.126979%	\$ 794,390	\$ 400,730	198.24%	75.11%	\$ 132,241	\$ 132,241	\$ -	\$ 394,749	33.50%
2016	0.084414%	\$ 661,295	\$ 429,074	154.12%	70.73%	\$ 71,127	\$ 71,127	\$ -	\$ 212,319	33.50%
2017	0.085210%	\$ 798,658	\$ 431,216	185.21%	66.04%	\$ 131,521	\$ 106,651	\$ 24,870	\$ 431,216	24.73%
2018	0.092720%	\$ 809,467	\$ 385,606	209.92%	70.08%	\$ 126,787	\$ 87,882	\$ 38,905	\$ 385,606	22.79%
2019	0.092648%	\$ 783,252	\$ 288,899	271.12%	71.89%	\$ 88,836	\$ 89,143	\$ (307)	\$ 288,899	30.86%
2020	0.065693%	\$ 596,602	\$ 137,538	433.80%	71.01%	\$ 44,356	\$ 44,356	\$ -	\$ 137,538	32.25%
2021	0.064737%	\$ 598,321	\$ 195,692	305.70%	70.94%	\$ 63,600	\$ 63,600	\$ -	\$ 195,692	32.50%
Firefighters' Retirement System of Louisiana										
2015	0.178950%	\$ 79,633	\$ 49,911	159.55%	76.02%	\$ 14,100	\$ 14,100	\$ -	\$ 49,911	28.25%
2016	0.018481%	\$ 99,744	\$ 33,995	293.41%	72.45%	\$ 11,488	\$ 11,488	\$ -	\$ 39,275	29.25%
2017	0.012493%	\$ 81,716	\$ 32,755	249.48%	68.16%	\$ 9,253	\$ -	\$ 9,253	\$ 32,755	0.00%
2018	0.000000%	\$ -	\$ -	0.00%	73.55%	\$ -	\$ -	\$ -	\$ -	0.00%
2019	0.000000%	\$ -	\$ -	0.00%	74.76%	\$ -	\$ -	\$ -	\$ -	0.00%
2020	0.017465%	\$ 11,186	\$ 36,153	24.90%	73.96%	\$ 11,892	\$ 9,598	\$ 2,294	\$ 36,153	21.39%
2021	0.018025%	\$ 124,941	\$ 44,874	278.40%	72.61%	\$ 12,453	\$ 12,444	\$ 9	\$ 44,874	27.73%

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

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

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR SPECIAL REVENUE FUNDS

1/4 % Sales Tax Fund (1973)

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

1/4 % Sales Tax Fund (1985)

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

1/4% Sales Tax Fund (2004)

To account for the receipt and use of proceeds of the City's 1/4% sales and use tax levied since April 2004.

Section 8 Housing

To account for the receipt and use of grants from the U.S. Department of Housing and Urban Development for rental assistance to low income renters in the City. This fund was closed in the fiscal year ended June 30, 2021.

Sugar City Litter Abatement Fund

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

Bicentennial Museum Fund

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

Drug Interdiction Fund

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

Drainage and Mosquito Fund

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

CITY OF JEANERETTE, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2021

Special Revenue Funds

	1973 1/4% Sales Tax	1985 1/4% Sales Tax	2004 1/4% Sales Tax	Drainage- Mosquito Control	Section 8 Housing	Drug Interdiction
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ 173,657	\$ -	\$ 2,628
Interest-Bearing Deposits	303,609	95,529	127,358	-	-	-
Investments	-	-	-	16,041	-	-
Receivables:						
Due from other Governmental Units	-	-	-	-	-	-
Prepaid Items	-	-	-	8,444	-	-
Total Assets	<u>\$ 303,609</u>	<u>\$ 95,529</u>	<u>\$ 127,358</u>	<u>\$ 198,142</u>	<u>\$ -</u>	<u>\$ 2,628</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	2,548	-	-
Due to other Funds	-	-	-	8,431	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,979</u>	<u>-</u>	<u>-</u>
Fund Balances -						
Nonspendable	-	-	-	8,444	-	-
Restricted	<u>303,609</u>	<u>95,529</u>	<u>127,358</u>	<u>178,719</u>	<u>-</u>	<u>2,628</u>
Total Fund Balances	<u>303,609</u>	<u>95,529</u>	<u>127,358</u>	<u>187,163</u>	<u>-</u>	<u>2,628</u>
Total Liabilities and Fund Balances	<u>\$ 303,609</u>	<u>\$ 95,529</u>	<u>\$ 127,358</u>	<u>\$ 198,142</u>	<u>\$ -</u>	<u>\$ 2,628</u>

CITY OF JEANERETTE, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet - continued
June 30, 2021

	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>		Total
	2005 General Obligation Refunding Bonds	Water Plant Project	Street Improvement 2016	Nonmajor Governmental Funds
ASSETS				
Cash	\$ 106,814	\$ 103,003	\$ 165,164	\$ 551,266
Interest-Bearing Deposits	-	-	-	526,496
Investments	-	15	-	16,056
Receivables:				
Due from other Governmental Units	-	-	-	-
Prepaid Items	-	-	1,149	9,593
Total Assets	<u>\$ 106,814</u>	<u>\$ 103,018</u>	<u>\$ 166,313</u>	<u>\$ 1,103,411</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	2,548
Due to other Funds	-	-	1,229	9,660
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,229</u>	<u>12,208</u>
Fund Balances -				
Nonspendable	-	-	1,149	9,593
Restricted	<u>106,814</u>	<u>103,018</u>	<u>163,935</u>	<u>1,081,610</u>
Total Fund Balances	<u>106,814</u>	<u>103,018</u>	<u>165,084</u>	<u>1,091,203</u>
Total Liabilities and Fund Balances	<u>\$ 106,814</u>	<u>\$ 103,018</u>	<u>\$ 166,313</u>	<u>\$ 1,103,411</u>

CITY OF JEANERETTE, LOUISIANA
Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2021

	Special Revenue Funds					
	1973 1/4% Sales Tax	1985 1/4% Sales Tax	2004 1/4% Sales Tax	Drainage- Mosquito Control	Section 8 Housing	Drug Interdiction
Revenues:						
Taxes	\$ 128,254	\$ 128,254	\$ 128,254	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	143,904	-	-
Interest	256	78	127	54	1	-
Total Revenues	<u>128,510</u>	<u>128,332</u>	<u>128,381</u>	<u>143,958</u>	<u>1</u>	<u>-</u>
Expenditures:						
General Government	-	-	-	121,729	-	-
Capital Outlay	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,729</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>128,510</u>	<u>128,332</u>	<u>128,381</u>	<u>22,229</u>	<u>1</u>	<u>-</u>
Other Financing Sources (Uses):						
Transfers In	-	-	-	-	-	-
Transfers Out	-	(85,000)	(85,000)	-	(5,198)	-
Total other Financing Sources (Uses)	<u>-</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>	<u>(5,198)</u>	<u>-</u>
Net Change in Fund Balance	128,510	43,332	43,381	22,229	(5,197)	-
Fund Balances, Beginning (Restated)	<u>175,099</u>	<u>52,197</u>	<u>83,977</u>	<u>164,934</u>	<u>5,197</u>	<u>2,628</u>
Fund Balances, Ending	<u>\$ 303,609</u>	<u>\$ 95,529</u>	<u>\$ 127,358</u>	<u>\$ 187,163</u>	<u>\$ -</u>	<u>\$ 2,628</u>

CITY OF JEANERETTE, LOUISIANA
Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - continued
Year Ended June 30, 2021

	<u>Debt Service Funds</u>	<u>Capital Project Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	2005 General Obligation Refunding Bonds	Water Plant Project	Street Improvement 2016	
Revenues:				
Taxes	\$ -	\$ 83,387	\$ 61,350	\$ 529,499
Intergovernmental	-	-	-	143,904
Interest	137	24	77	754
Total Revenues	<u>137</u>	<u>83,411</u>	<u>61,427</u>	<u>674,157</u>
Expenditures:				
General Government	-	-	22,330	144,059
Capital Outlay	-	-	3,484	3,484
Principal Retirement	-	33,999	-	33,999
Interest and Fiscal Charges	-	63,241	-	63,241
Total Expenditures	<u>-</u>	<u>97,240</u>	<u>25,814</u>	<u>244,783</u>
Excess (Deficiency) of Revenues over Expenditures	<u>137</u>	<u>(13,829)</u>	<u>35,613</u>	<u>429,374</u>
Other Financing Sources:				
Transfers In	-	17,000	-	17,000
Transfers Out	(17,000)	-	-	(192,198)
Total other Financing Sources	<u>(17,000)</u>	<u>17,000</u>	<u>-</u>	<u>(175,198)</u>
Net Change in Fund Balance	(16,863)	3,171	35,613	254,176
Fund Balances, Beginning (Restated)	<u>123,677</u>	<u>99,847</u>	<u>129,471</u>	<u>837,027</u>
Fund Balances, Ending	<u>\$ 106,814</u>	<u>\$ 103,018</u>	<u>\$ 165,084</u>	<u>\$ 1,091,203</u>

CITY OF JEANERETTE, LOUISIANA

**Schedule of Net Position
June 30, 2021
With Comparative Totals as of June 30, 2020**

	Governmental Activities	Business-Type Activities	Total	
			2021	2020
ASSETS				
Current Assets:				
Cash and Interest-Bearing Deposits	\$ 1,912,702	\$ 275,127	\$ 2,187,829	\$ 1,570,452
Investments	316,173	254,990	571,163	270,788
Receivables, Net	-	233,686	233,686	263,889
Ad Valorem Receivables, Net	34,207	-	34,207	252,113
Due From Other Governmental Units	492,436	-	492,436	4,189
Other Receivables	65,462	-	65,462	161,434
Prepaid Items	81,117	7,786	88,903	69,430
Total Current Assets	<u>2,902,097</u>	<u>771,589</u>	<u>3,673,686</u>	<u>2,592,295</u>
Noncurrent Assets:				
Restricted Assets	-	249,570	249,570	185,254
Capital Assets, Net	<u>5,727,326</u>	<u>10,962,478</u>	<u>16,689,804</u>	<u>16,242,933</u>
Total Noncurrent Assets	<u>5,727,326</u>	<u>11,212,048</u>	<u>16,939,374</u>	<u>16,428,187</u>
Total Assets	<u>8,629,423</u>	<u>11,983,637</u>	<u>20,613,060</u>	<u>19,020,482</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related	<u>473,717</u>	<u>18,685</u>	<u>492,402</u>	<u>704,877</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	451,544	-	451,544	6,593
Accrued Liabilities	61,505	20,243	81,748	75,135
Capital Leases Payable	12,208	-	12,208	57,839
Bond Payable	35,401	49,772	85,173	82,598
Accrued Interest Payable	61,839	-	61,839	63,241
Due to Other Funds	(83,986)	83,986	-	154,607
Total Current Liabilities	<u>538,511</u>	<u>154,001</u>	<u>692,512</u>	<u>440,013</u>
Noncurrent Liabilities:				
Capital Leases Payable	-	-	-	27,348
Net Pension Liability	2,310,289	156,959	2,467,248	2,592,955
Customers' Deposits Payable	-	138,424	138,424	136,479
Loan Payable	350,000	-	350,000	20,130
Bond Payable	<u>1,463,571</u>	<u>2,129,136</u>	<u>3,592,707</u>	<u>3,677,886</u>
Total Noncurrent Liabilities	<u>4,123,860</u>	<u>2,424,519</u>	<u>6,548,379</u>	<u>6,454,798</u>
Total Liabilities	<u>4,662,371</u>	<u>2,578,520</u>	<u>7,240,891</u>	<u>6,894,811</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related	<u>319,512</u>	<u>12,317</u>	<u>331,829</u>	<u>374,770</u>
NET POSITION				
Net Investment in Capital Assets	3,851,916	8,783,570	12,635,486	12,405,723
Restricted For:				
Debt Service	1,560,811	-	1,560,811	1,610,322
Other Purposes	1,749,721	138,424	1,888,145	1,086,936
Unrestricted (Deficit)	<u>(3,041,191)</u>	<u>489,491</u>	<u>(2,551,700)</u>	<u>(2,647,203)</u>
Total Net Position	<u>\$ 4,121,257</u>	<u>\$ 9,411,485</u>	<u>\$ 13,532,742</u>	<u>\$ 12,455,778</u>

CITY OF JEANERETTE, LOUISIANA

**Schedule of Activities
Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020**

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Assets		Total	
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	2021	2020 (Restated)
Primary Government							
Governmental Activities:							
General Government	\$ 1,743,321	\$ 645,426	\$ 454,996	\$ (642,899)	\$ -	\$ (642,899)	\$ (699,957)
Public Safety:							
Police	642,657	5,334	-	(637,323)	-	(637,323)	(599,822)
Fire	139,610	21,112	-	(118,498)	-	(118,498)	(124,276)
Highways and Streets	582,441	-	-	(582,441)	-	(582,441)	(569,091)
Interest on Debt	61,839	-	-	(61,839)	-	(61,839)	(63,235)
Total Governmental Activities	3,169,868	671,872	454,996	(2,043,000)	-	(2,043,000)	(2,056,381)
Business -Type Activities:							
Garbage, Water, and Sewer	1,772,473	1,678,658	-	-	(93,815)	(93,815)	(430,871)
Total Primary Government	\$ 4,942,341	\$ 2,350,530	\$ 454,996	(2,043,000)	(93,815)	(2,136,815)	(2,487,252)
General Revenues:							
Taxes -							
Property Taxes				634,781	-	634,781	671,397
Sales and Use Taxes				987,129	-	987,129	962,852
Franchise Taxes				204,602	-	204,602	215,453
Other Taxes				124,261	-	124,261	121,129
Grants and Contributions Not Restricted To Specific Programs -							
Federal Sources				977,398	-	977,398	129,980
State Sources				4,027	-	4,027	5,764
(Loss) on Disposition of Capital Assets				-	-	-	(11,132)
Non-Employer Pension Contribution				44,064	2,463	46,527	47,184
Interest and Investment Earnings				10,897	474	11,371	13,381
Miscellaneous				114,999	108,684	223,683	177,178
Transfers				(978,761)	978,761	-	-
Total General Revenues and Transfers				2,123,397	1,090,382	3,213,779	2,333,186
Change in Net Position				80,397	996,567	1,076,964	(154,066)
Net Position - Beginning (Restated)				4,040,860	8,414,918	12,455,778	12,609,844
Net Position - Ending				\$ 4,121,257	\$ 9,411,485	\$ 13,532,742	\$ 12,455,778

CITY OF JEANERETTE, LOUISIANA

**Balance Sheet
Governmental Funds
Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020**

	General	1% Sales Tax	Sewer Treatment Plant Upgrade FY 2014-2015	Other Governmental Funds	Total Governmental Funds	
					2021	2020
ASSETS						
Cash	\$ 164,459	\$ -	\$ 17,810	\$ 551,266	\$ 733,535	\$ 566,956
Interest-Bearing Deposits	163,796	488,877	-	526,496	1,179,169	825,882
Investments	300,117	-	-	16,056	316,173	16,054
Receivables:						
Ad Valorem	12,919	-	-	-	12,919	7,771
Due from other Funds	81,252	446	14,058	-	95,756	21,308
Due from other Governmental Units	164,665	-	327,770	-	492,435	4,189
Other Receivables	65,462	-	-	-	65,462	161,434
Prepaid Items	71,526	-	-	9,593	81,119	67,419
Total Assets	<u>\$ 1,024,196</u>	<u>\$ 489,323</u>	<u>\$ 359,638</u>	<u>\$ 1,103,411</u>	<u>\$ 2,976,568</u>	<u>\$ 1,671,013</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 91,906	\$ -	\$ 359,638	\$ -	\$ 451,544	\$ 1,148
Accrued Liabilities	66,343	-	-	2,548	68,891	54,658
Due to other Funds	2,110	-	-	9,660	11,770	82,966
Total Liabilities	<u>160,359</u>	<u>-</u>	<u>359,638</u>	<u>12,208</u>	<u>532,205</u>	<u>138,772</u>
Deferred Inflows of Resources						
Unavailable Tax Revenues	<u>11,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,181</u>	<u>-</u>
Fund Balances:						
Nonspendable	71,526	-	-	9,593	81,119	67,419
Restricted	-	489,323	-	1,081,610	1,570,933	1,184,462
Committed	26,566	-	-	-	26,566	16,258
Unassigned	<u>754,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>754,564</u>	<u>264,102</u>
Total Fund Balances	<u>852,656</u>	<u>489,323</u>	<u>-</u>	<u>1,091,203</u>	<u>2,433,182</u>	<u>1,532,241</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,024,196</u>	<u>\$ 489,323</u>	<u>\$ 359,638</u>	<u>\$ 1,103,411</u>	<u>\$ 2,976,568</u>	<u>\$ 1,671,013</u>

CITY OF JEANERETTE, LOUISIANA

**Schedule of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020**

	General	1% Sales Tax	Sewer Treatment Plant Upgrade FY 2014-2015	Other Governmental Funds	Total Governmental Funds	
					2021	2020
Revenues:						
Taxes	\$ 800,028	\$ 513,017	\$ -	\$ 529,499	\$ 1,842,544	\$ 1,854,845
Licenses and Permits	89,350	-	-	-	89,350	73,684
Intergovernmental	796,255	-	909,483	143,904	1,849,642	800,454
Fines and Forfeits	13,319	-	-	-	13,319	16,405
Miscellaneous	370,048	427	-	754	371,229	329,239
Total Revenues	2,069,000	513,444	909,483	674,157	4,166,084	3,074,627
Expenditures:						
Current -						
General Government	1,205,300	-	-	144,059	1,349,359	1,503,084
Public Safety:						
Police	651,208	-	-	-	651,208	586,029
Fire	127,778	-	-	-	127,778	129,782
Highways and Streets	373,088	-	-	-	373,088	359,913
Urban Development and Housing	-	-	-	-	-	38,841
Capital Outlay	32,187	-	1,269,794	3,484	1,305,465	177,530
Debt Service -						
Principal Retirement	-	-	-	33,999	33,999	32,658
Interest and Fiscal Charges	-	-	-	63,241	63,241	64,582
Total Expenditures	2,389,561	-	1,269,794	244,783	3,904,138	2,892,419
Excess (Deficiency) of						
Revenues over Expenditures	(320,561)	513,444	(360,311)	429,374	261,946	182,208
Other Financing Sources (Uses):						
Loan Proceeds	-	-	329,870	-	329,870	20,130
Transfers In	833,882	-	30,441	17,000	881,323	796,431
Transfers Out	-	(380,000)	-	(192,198)	(572,198)	(657,857)
Total other Financing Sources (Uses)	833,882	(380,000)	360,311	(175,198)	638,995	158,704
Net Changes in Fund Balances	513,321	133,444	-	254,176	900,941	340,912
Fund Balances, Beginning (Restated)	339,335	355,879	-	837,027	1,532,241	1,191,329
Fund Balances, Ending	\$ 852,656	\$ 489,323	\$ -	\$ 1,091,203	\$ 2,433,182	\$ 1,532,241

CITY OF JEANERETTE, LOUISIANA

**Schedule of Net Position
Proprietary Fund
Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020**

	Enterprise Fund	
	2021	2020
ASSETS		
Current Assets:		
Cash and Interest-Bearing Deposits	\$ 275,127	\$ 177,610
Investments	254,990	254,734
Receivables, Net	233,686	263,889
Due From Other Funds	1,664	-
Prepaid Items	7,786	2,011
Total Current Assets	<u>773,253</u>	<u>698,244</u>
Noncurrent Assets:		
Restricted Assets -		
Cash and Interest-Bearing Deposits	249,570	185,254
Capital Assets, Net of Accumulated Depreciation	10,962,478	10,155,067
Total Noncurrent Assets	<u>11,212,048</u>	<u>10,340,321</u>
Total Assets	<u>11,985,301</u>	<u>11,038,565</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	<u>18,685</u>	<u>41,523</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	-	5,744
Accrued Liabilities	20,243	20,177
Bond Payable	49,772	48,605
Due to Other Funds	85,650	92,948
Total Current Liabilities	<u>155,665</u>	<u>167,474</u>
Noncurrent Liabilities:		
Payable From Restricted Assets -		
Revenue Bonds Payable	2,129,136	2,178,908
Customers' Deposits Payable	138,424	136,479
Net Pension Liability	156,959	169,829
Total Noncurrent Liabilities	<u>2,424,519</u>	<u>2,485,216</u>
Total Liabilities	<u>2,580,184</u>	<u>2,652,690</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Related	<u>12,317</u>	<u>12,480</u>
NET POSITION		
Net Investment In Capital Assets	8,783,570	7,927,554
Unrestricted	627,915	487,364
Total Net Position	<u>\$ 9,411,485</u>	<u>\$ 8,414,918</u>

CITY OF JEANERETTE, LOUISIANA

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

Year Ended June 30, 2021

With Comparative Totals for the Year Ended June 30, 2020

	Enterprise Fund	
	2021	2020
Operating Revenues:		
Charges for Services -		
Water Sales	\$ 711,303	\$ 605,703
Sewer Service Charges	476,770	414,786
Garbage Revenue	340,363	338,361
Connections and Installations	29,915	18,745
Penalties	112,048	80,885
Miscellaneous	8,259	6,915
Total Operating Revenues	<u>1,678,658</u>	<u>1,465,395</u>
Operating Expenses:		
Bad Debts	3,754	85,354
Chemicals	63,689	42,694
Consulting and Testing Fees	31,802	23,530
Depreciation Expense	494,434	513,786
Equipment Rental	-	23,874
Garbage Service Contract	329,724	324,279
Insurance	39,994	84,820
Interest Expense	48,343	49,483
Miscellaneous	68,028	8,451
Office Expense	19,679	23,631
Payroll Taxes	2,689	2,298
Salaries and Benefits	116,239	116,034
Professional Fees	212,471	221,944
Supplies and Repairs	217,285	237,130
Utilities and Telephone	124,342	138,958
Total Operating Expenses	<u>1,772,473</u>	<u>1,896,266</u>
Operating Loss	<u>\$ (93,815)</u>	<u>\$ (430,871)</u>

(continued)

CITY OF JEANERETTE, LOUISIANA

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

Proprietary Fund

Year Ended June 30, 2021

With Comparative Totals for the Year Ended June 30, 2020

	Enterprise Fund	
	2021	2020
Nonoperating Revenues (Expenses):		
Other Revenue	\$ 108,684	\$ 104,415
Non-Employer Pension Contributions	2,463	2,608
Interest Income	474	4,255
Total Nonoperating Revenues	<u>111,621</u>	<u>111,278</u>
 Income (Loss) Before Contributions and Transfers	 17,806	 (319,593)
 Capital Contributions	 1,287,886	 -
Transfers In	-	91,510
Transfers Out	<u>(309,125)</u>	<u>(230,085)</u>
 Change In Net Position	 996,567	 (458,168)
 Net Position, Beginning (Restated)	 <u>8,414,918</u>	 <u>8,873,086</u>
 Net Position, Ending	 <u>\$ 9,411,485</u>	 <u>\$ 8,414,918</u>

CITY OF JEANERETTE, LOUISIANA

**Schedule of Cash Flows
Proprietary Fund
Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020**

	<u>Enterprise Fund</u>	
	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 1,708,861	\$ 1,465,395
Payments to Suppliers	(956,149)	(899,327)
Payments to Employees	(321,594)	(340,276)
Net Cash Provided By Operating Activities	<u>431,118</u>	<u>225,792</u>
Cash Flows from Noncapital Financing Activities:		
Payments to other Funds	(318,087)	(138,575)
Other	<u>111,147</u>	<u>104,415</u>
Net Cash (Used In) Noncapital Financing Activities	<u>(206,940)</u>	<u>(34,160)</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Property, Plant and Equipment	(13,958)	(68,450)
Payment on Debt	(48,605)	(47,465)
Net Cash (Used In) Capital and Related Financing Activities	<u>(62,563)</u>	<u>(115,915)</u>
Cash Flows from Investing Activities:		
Interest on Investments	<u>474</u>	<u>4,255</u>
Net Cash Provided By Investing Activities	<u>474</u>	<u>4,255</u>
Net Increase in Cash and Cash Equivalents	162,089	79,972
Cash, Cash Equivalents, and Restricted Cash, Beginning	<u>617,598</u>	<u>537,626</u>
Cash, Cash Equivalents, and Restricted Cash, Ending	<u>\$ 779,687</u>	<u>\$ 617,598</u>

(continued)

CITY OF JEANERETTE, LOUISIANA

**Schedule of Cash Flows - continued
Proprietary Fund**

Year Ended June 30, 2021

With Comparative Totals for the Year Ended June 30, 2020

	<u>Enterprise Fund</u>	
	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Loss to Net Cash Provided By Operating Activities:		
Operating Loss	\$ (93,815)	\$ (430,871)
Adjustments to Reconcile Operating Loss to Net Cash Provided By Operating Activities:		
Depreciation	494,434	513,786
Bad Debt	3,754	85,354
Changes in Current Assets and Liabilities:		
Decrease in Accounts Receivable	26,449	5,784
(Increase) Decrease in Prepaid Items	(5,775)	30,771
Increase (Decrease) in Accounts Payable	(5,744)	(51,677)
Increase (Decrease) in Accrued Liabilities	66	1,872
Increase in Amounts Due to other Funds	-	66,799
Increase in Customer Deposits	<u>1,945</u>	<u>3,974</u>
Net Cash Provided By Operating Activities	<u>421,314</u>	<u>225,792</u>
Reconciliation of Cash and Cash Equivalents Per Statement of Cash Flows to the Balance Sheet:		
Cash and Cash Equivalents, Beginning of Period -		
Cash - Unrestricted	\$ 432,344	\$ 406,888
Cash - Restricted	<u>185,254</u>	<u>130,738</u>
Total Cash and Cash Equivalents (including Restricted)	<u>617,598</u>	<u>537,626</u>
Cash and Cash Equivalents, End of Period -		
Cash - Unrestricted	530,117	432,344
Cash - Restricted	<u>249,570</u>	<u>185,254</u>
Total Cash and Cash Equivalents (including Restricted)	<u>779,687</u>	<u>617,598</u>
Net Increase in Cash and Cash Equivalents	<u>\$ 162,089</u>	<u>\$ 79,972</u>

CITY OF JEANERETTE, LOUISIANA

Balance Sheet

(Unaudited)

Capital Projects Fund

Louisiana Community Development Block Grant (LCDBG)

June 30, 2021

ASSETS

Cash	\$	17,810
Grant Revenue Receivable - LCDBG		292,875
Grant Revenue Receivable - DEQ		34,895
Due from City		<u>14,058</u>
TOTAL ASSETS		<u>359,638</u>

LIABILITIES AND FUND BALANCE

Accounts Payable		<u>359,638</u>
TOTAL LIABILITIES		<u>359,638</u>

FUND BALANCE		<u>-</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>359,638</u>
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CITY OF JEANERETTE, LOUISIANA

**Schedule of Revenues, Expenditures, and Changes in Fund Balances
(Unaudited)**

Capital Projects Fund

Louisiana Community Development Block Grant (LCDBG)

Year Ended June 30, 2021

Revenues:

LCDBG Program	\$ 871,225
Total Revenues	<u>871,225</u>

Expenditures:

Construction	1,130,877
Engineering Services	<u>100,659</u>
Total Expenditures	<u>1,231,536</u>

(Deficiency) of

Revenues over Expenditures	<u>(360,311)</u>
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Other Financing Sources:

Loan Proceeds	329,870
Transfers In	<u>30,441</u>
Total other Financing Sources	<u>360,311</u>

Net Changes in Fund Balances	-
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Fund Balance, Beginning	<u>-</u>
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Fund Balance, Ending	<u>\$ -</u>
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CITY OF JEANERETTE, LOUISIANA

**Schedule of Number of Utility Customers
Proprietary Fund
(Unaudited)
June 30, 2021**

Records maintained by the City indicated the number of customers being served during the month of June 2021, were as follows:

<u>Department</u>	<u>Residential</u>	<u>Commercial</u>
Water (metered)	1,914	134
Sewerage	1,797	109
Sanitation	1,714	-

* Commercial customers are responsible for providing their sanitation needs.

CITY OF JEANERETTE, LOUISIANA

**Schedule of Insurance in Force
(Unaudited)
June 30, 2021**

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation - Employer's Liability	\$ 1,000,000
Surety Bonds - Mayor, Town Clerk, Billing Clerk and Treasurer	\$ 200,000
Employee Theft	\$ 195,000
Public Officials Errors and Omissions	\$ 500,000
Comprehensive General Liability, Bodily Injury, and Property Damage	\$ 1,000,000
Comprehensive Automobile Liability	\$ 1,000,000
Fire, Lightning, and Extended Coverage - Buildings and Contents, All Risks Except Flood and Earthquake	\$ 5,957,699

CITY OF JEANERETTE, LOUISIANA

**Schedule of Aged Utility Accounts
Proprietary Fund
(Unaudited)
June 30, 2021**

Under 30 days	\$ 45,223
31 to 60 days	4,260
Over 60 days	<u>269,557</u>
Total Receivables	<u>\$ 319,040</u>

CITY OF JEANERETTE, LOUISIANA

**Schedule of Water and Sewerage Rates
Proprietary Fund
(Unaudited)
June 30, 2021**

Water Rates

Residential (inside corporate limits):

\$16.50 per month for the first 2,000 gallons

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

Residential (outside corporate limits):

\$17.50 per month for the first 2,000 gallons

\$ 7.00 per thousand or part thereof over 2,000 gallons

Commercial or industrial users (inside corporate limits):

\$22.00 per month for the first 2,000 gallons

\$ 5.00 per thousand or part thereof over 2,000 gallons

Commercial or industrial users (outside corporate limits):

\$24.00 per month for the first 2,000 gallons

\$ 7.00 per thousand or part thereof over 2,000 gallons

Sewerage Rates

Residential:

A basic rate of \$14.50 for the 1st 2,000 gallons, then \$2.50 per/1,000 gallons.

Commercial:

A basic rate of \$15.50 for the 1st 2,000 gallons, then \$3.00 per/1,000 gallons.

CITY OF JEANERETTE, LOUISIANA

**Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2021**

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Receipts From:		
Jeanerette City Court - Criminal Fines - Other	\$ 9,566	\$ 3,858
Total Receipts	\$ 9,566	\$ 3,858

CITY OF JEANERETTE, LOUISIANA

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	ALN	Federal Award Identifying Number	Award Amount	Federal Expenditures	Amount to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE					
Direct Program:					
ARRA - Water and Waste Disposal Systems for Rural Communities	* 10.781	LA-91-03	\$ 2,463,000	\$ 2,463,000	\$ -
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Passed Through:					
Office of Community Development, State of Louisiana Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii FY 2019 LCDBG Public Facilities Program	* 14.228	2000449703	937,500	871,225	-
U.S. DEPARTMENT OF THE TREASURY					
Direct Programs:					
COVID - 19 - Coronavirus Relief Fund	21.019	Not Applicable	411,489	411,489	105,947
U.S. ENVIRONMENTAL PROTECTION AGENCY					
Passed Through:					
Department of Environmental Quality, State of Louisiana Capitalization Grants for Clean Water State Revolving Funds Clean Water State Revolving Fund Loan Fund	66.458	AI#19541	181,845	181,845	-
U.S. DEPARTMENT OF HOMELAND SECURITY					
Direct Programs:					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)					
FEMA - Delta	97.036	FEMA-DR-4570-LA	67,916	67,916	-
Totals			\$ 4,061,750	\$ 3,995,475	\$ 105,947

* - Major Program

See accompanying notes to schedule of expenditures of federal awards.

CITY OF JEANERETTE, LOUISIANA

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARD ENDED JUNE 30, 2021**

(1) General

When applicable, the Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Jeanerette (the City). The City reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2021. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

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

(3) Loan Guarantee

The City was awarded a \$2,463,000 loan guarantee from the U.S. Department of Agriculture, Office of Rural Development (USDA) in 2012 to pay costs of constructing and acquiring improvements, renovations and replacements to the waterworks system. The City expended \$ -0- during the fiscal year ended June 30, 2021. The unpaid balance on the bonds at June 30, 2021, is \$2,178,908. In addition, the USDA is the guarantor of \$1,870,000 General Obligation Bonds, Series 2005, the proceeds of which were received and expended in the fiscal year ended June 30, 2006. The unpaid balance on the bonds at June 30, 2021, is \$1,498,972.

(4) Subrecipients

The City passed through \$105,947 of its federal awards to subrecipients during the fiscal year ended June 30, 2021.

(5) Non-Cash Assistance

No federal awards were expended in the form of non-cash assistance during the fiscal year ended June 30, 2021.

(6) Indirect Cost Rate

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

(7) Relationship to Financial Statements

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

INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

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

JOHN W. WRIGHT, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

JOAN MARTIN, CPA, CVA, CFF**

ANDRE' D. BROUSSARD, CPA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



MAGEN M. HORNSBY, CPA

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STEPHANIE L. WEST, CPA, MBA

JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISBEE, CPA, MBA

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CHARLOTTE C. SIMIEN, CPA

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ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Jeanerette, Louisiana, (hereinafter "City"), as of June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2021.

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

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

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

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

Lafayette, Louisiana
December 20, 2021

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

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

JOHN W. WRIGHT, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*

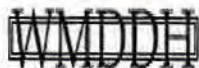
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The Honorable Carol Bourgeois, Mayor
and Members of the Board of Aldermen
City of Jeanerette, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Jeanerette, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Jeanerette, Louisiana's major federal programs for the year ended June 30, 2021. City of Jeanerette, Louisiana's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Jeanerette, Louisiana, 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, 2021.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

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

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

***Wright, Moore, DeHart,
Dupuis & Hutchinson***

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

Lafayette, Louisiana
December 20, 2021

CITY OF JEANERETTE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2021

There were no findings in the prior year.

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

YEAR ENDED JUNE 30, 2021

We have audited the financial statements of the City of Jeanerette, Louisiana as of and for the year ended June 30, 2021, and have issued our report thereon dated December 20, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Our audit of the financial statements as of June 30, 2021, resulted in an unmodified opinion on the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information.

Section I - Summary of Auditors' Reports

FINANCIAL STATEMENTS

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

Internal Control

Material Weaknesses ☐ Yes ☒ No

Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

FEDERAL AWARDS

Major Program Identification

The City of Jeanerette, Louisiana at June 30, 2021, had two major programs:

U.S. Department of Agriculture: ARRA - Water and Waste Disposal Systems for Rural Communities, ALN: 10.781

U.S. Department of Housing and Urban Development: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii, ALN: 14.228

Low-Risk Auditee

The City of Jeanerette, Louisiana is not considered a low-risk auditee for the year ended June 30, 2021.

Major Program - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended June 30, 2021.

Auditors' Report - Major Program

An unmodified opinion has been issued on the City of Jeanerette, Louisiana's compliance for each major program as of and for the year ended June 30, 2021.

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

YEAR ENDED JUNE 30, 2021

FEDERAL AWARDS - continued

Deficiencies in Internal Control - Major Program

There were no deficiencies in internal control noted during the audit of the major federal program.

Compliance Finding Related to Major Program

The audit did not disclose any material noncompliance or questioned costs relative to its federal program.

Section II - Financial Statement Findings

There were no current year findings.