

**CITY OF OAKDALE, LOUISIANA**

Financial Report

Year Ended June 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Gene Paul, Mayor  
and Members of the City Council  
City of Oakdale, 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 Oakdale, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Oakdale, Louisiana's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## ***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 Oakdale, 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 schedules, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 49 - 55 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.

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oakdale, Louisiana's basic financial statements. The statement of utility fund operating expenses and the various other schedules included in other supplementary information 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 justice system funding schedule, statement of utility fund operating expenses, and the schedule of expenditures of federal awards 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 justice system funding schedule, statement of utility fund operating expenses, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The various other schedules included in other supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have issued our report dated March 25, 2022, on our consideration of the City of Oakdale, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Oakdale, 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 Oakdale, Louisiana's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Oberlin, Louisiana  
March 25, 2022

## **BASIC FINANCIAL STATEMENTS**

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

CITY OF OAKDALE, LOUISIANA

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$ 1,004,371	\$ 266,194	\$ 1,270,565
Receivables, net	332,469	205,847	538,316
Due from other governmental units	1,885,879	5,952,810	7,838,689
Prepaid items	53,683	-	53,683
Restricted assets:			
Cash and interest-bearing deposits	402,313	849,935	1,252,248
Capital assets:			
Land	532,583	1,407,394	1,939,977
Capital assets, net	<u>5,289,559</u>	<u>6,644,060</u>	<u>11,933,619</u>
Total assets	<u>9,500,857</u>	<u>15,326,240</u>	<u>24,827,097</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plans	<u>761,330</u>	<u>-</u>	<u>761,330</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	2,038,439	1,003,396	3,041,835
Accrued interest payable	26,484	4,878	31,362
Customer deposits	-	90,558	90,558
Long-term liabilities:			
Due within one year	121,611	168,000	289,611
Due after one year	1,944,773	8,506,959	10,451,732
Net pension liability	<u>2,519,429</u>	<u>-</u>	<u>2,519,429</u>
Total liabilities	<u>6,650,736</u>	<u>9,773,791</u>	<u>16,424,527</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plans	<u>376,393</u>	<u>-</u>	<u>376,393</u>
NET POSITION			
Net investment in capital assets	3,774,483	5,997,441	9,771,924
Restricted	1,243,743	86,363	1,330,106
Unrestricted	<u>(1,783,168)</u>	<u>(531,355)</u>	<u>(2,314,523)</u>
Total net position	<u>\$ 3,235,058</u>	<u>\$ 5,552,449</u>	<u>\$ 8,787,507</u>

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

CITY OF OAKDALE, LOUISIANA

Statement of Activities  
For the Year Ended June 30, 2021

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,569,086	\$ 225,361	\$ 259,552	\$ -	\$ (1,084,173)	\$ -	\$ (1,084,173)
Public safety:							
Police	991,102	57,742	33,067	-	(900,293)	-	(900,293)
Fire	425,317	-	46,018	-	(379,299)	-	(379,299)
Public works	2,803,822	-	-	1,827,192	(976,630)	-	(976,630)
Health and recreation	162,445	-	-	-	(162,445)	-	(162,445)
Interest on long-term debt	79,932	-	-	-	(79,932)	-	(79,932)
Total governmental activities	<u>6,031,704</u>	<u>283,103</u>	<u>338,637</u>	<u>1,827,192</u>	<u>(3,582,772)</u>	<u>-</u>	<u>(3,582,772)</u>
Business-type activities:							
Water	358,886	1,039,370	-	-	-	680,484	680,484
Sewer	857,343	991,912	-	68,041	-	202,610	202,610
Total business-type activities	<u>1,216,229</u>	<u>2,031,282</u>	<u>-</u>	<u>68,041</u>	<u>-</u>	<u>883,094</u>	<u>883,094</u>
Total	<u>\$ 7,247,933</u>	<u>\$ 2,314,385</u>	<u>\$ 338,637</u>	<u>\$ 1,895,233</u>	<u>(3,582,772)</u>	<u>883,094</u>	<u>(2,699,678)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					139,617	-	139,617
Property taxes, levied for fire protection					113,965	-	113,965
Property taxes, levied for debt service					168,622	-	168,622
Sales and use taxes, levied for general purposes					1,604,864	-	1,604,864
Franchise taxes					227,888	-	227,888
Payment in lieu of taxes					24,942	-	24,942
Grants and contributions not restricted to specific programs -							
State sources					7,445	-	7,445
Community grant revenue					165,024	-	165,024
Interest and investment earnings					70	1,159	1,229
Nonemployer pension contribution					55,546	-	55,546
Miscellaneous					210,005	-	210,005
Transfers					981,201	(981,201)	-
Total general revenues and transfers					<u>3,699,189</u>	<u>(980,042)</u>	<u>2,719,147</u>
Change in net position					116,417	(96,948)	19,469
Net position - beginning					<u>3,118,641</u>	<u>5,649,397</u>	<u>8,768,038</u>
Net position - ending					<u>\$ 3,235,058</u>	<u>\$ 5,552,449</u>	<u>\$ 8,787,507</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

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

### **Special Revenue Fund**

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

#### **Sales Tax Fund**

To account for the receipt and use of proceeds of the City's restricted 1.0% and 0.3% sales and use taxes. These taxes are dedicated to the to constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works, waterworks, facilities, streets, alleys, bridges, drains and drainage facilities; public buildings, purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, buildings, improvements and facilities; and for the purpose of paying principal and interest on any bonded or funded indebtedness of the City incurred for any of said purposes; and to improving, maintaining, and operating the police and fire departments of the City, and for the purpose of paying the costs of the acquisition of equipment for the public works department.

### **Capital Projects Fund**

Capital projects funds account for the financial resources received and used to acquire, construct, or improve capital facilities not reported in other governmental funds.

#### **Street Improvement Fund**

To account for the receipt and use of financial resources used to construct or acquire major, long-lived general capital facilities.

### **Enterprise Fund**

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

To account for the provision of water and sewer 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 related debt service, and billing and collection.

CITY OF OAKDALE, LOUISIANA

Balance Sheet - Governmental Funds  
June 30, 2021

	<u>General</u>	<u>Sales Tax</u>	<u>Street Improvement</u>	<u>Other Governmental</u>	<u>Total</u>
ASSETS					
Cash and interest-bearing deposits	\$ 529,420	\$ 395,059	\$ 46,800	\$ 435,405	\$1,406,684
Receivables -					
Taxes	57,538	274,931	-	-	332,469
Due from other funds	21,114	-	-	84,287	105,401
Due from other governmental units	1,852,134	-	-	33,745	1,885,879
Prepaid items	<u>53,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,683</u>
Total assets	<u>\$ 2,513,889</u>	<u>\$ 669,990</u>	<u>\$ 46,800</u>	<u>\$ 553,437</u>	<u>\$3,784,116</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,961,433	\$ -	\$ -	\$ 8,233	\$1,969,666
Accrued liabilities	68,773	-	-	-	68,773
Due to other funds	<u>53,212</u>	<u>-</u>	<u>-</u>	<u>52,189</u>	<u>105,401</u>
Total liabilities	<u>2,083,418</u>	<u>-</u>	<u>-</u>	<u>60,422</u>	<u>2,143,840</u>
Fund balances -					
Nonspendable	53,683	-	-	-	53,683
Restricted	-	669,990	46,800	553,437	1,270,227
Unassigned (deficit)	<u>376,788</u>	<u>-</u>	<u>-</u>	<u>(60,422)</u>	<u>316,366</u>
Total fund balances	<u>430,471</u>	<u>669,990</u>	<u>46,800</u>	<u>493,015</u>	<u>1,640,276</u>
Total liabilities and fund balances	<u>\$ 2,513,889</u>	<u>\$ 669,990</u>	<u>\$ 46,800</u>	<u>\$ 553,437</u>	<u>\$3,784,116</u>

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

CITY OF OAKDALE, LOUISIANA

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

Total fund balances for governmental funds at June 30, 2021		\$ 1,640,276
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 532,583	
Buildings, net of \$4,576,502 accumulated depreciation	1,295,350	
Improvements, net of \$565,355 accumulated depreciation	1,793,373	
Infrastructure, net of \$644,380 accumulated depreciation	1,564,653	
Equipment, furniture, and fixtures, net of \$1,354,523 accumulated depreciation	381,623	
Vehicles, net of \$1,238,124 accumulated depreciation	<u>254,560</u>	5,822,142
Deferred outflows of resources are not available resources, and therefore, are not reported in the funds:		
Pension plans		761,330
Deferred inflows of resources are not payable from current expendable resources, and therefore, are not reported in the funds:		
Pension plans		(376,393)
Some liabilities are not due and payable from current financial resources and are, therefore not reported in the funds. These liabilities consist of the following:		
Compensated absences	(18,725)	
Bonds payable	(1,845,000)	
Capital leases	(202,659)	
Accrued interest payable	(26,484)	
Net pension liability	<u>(2,519,429)</u>	<u>(4,612,297)</u>
Total net position of governmental activities at June 30, 2021		<u>\$ 3,235,058</u>

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

CITY OF OAKDALE, LOUISIANA

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

	General	Sales Tax	Street Improvements	Other Governmental	Total
<b>Revenues:</b>					
Taxes	\$ 367,505	\$ 1,604,864	\$ -	\$ 282,587	\$ 2,254,956
Licenses and permits	225,361	-	-	-	225,361
Intergovernmental	2,168,678	-	-	204,012	2,372,690
Fines and forfeits	57,742	-	-	-	57,742
Miscellaneous	200,557	25	-	43	200,625
Total revenues	<u>3,019,843</u>	<u>1,604,889</u>	<u>-</u>	<u>486,642</u>	<u>5,111,374</u>
<b>Expenditures:</b>					
Current -					
General government	1,502,062	12,554	-	-	1,514,616
Public safety:					
Police	1,001,726	-	-	-	1,001,726
Fire	-	-	-	331,967	331,967
Public works	2,580,676	-	-	-	2,580,676
Health and recreation	145,839	-	-	-	145,839
Capital outlay	42,563	-	681,633	36,779	760,975
Debt service	23,147	-	-	293,489	316,636
Total expenditures	<u>5,296,013</u>	<u>12,554</u>	<u>681,633</u>	<u>662,235</u>	<u>6,652,435</u>
Excess (deficiency) of revenues over expenditures	<u>(2,276,170)</u>	<u>1,592,335</u>	<u>(681,633)</u>	<u>(175,593)</u>	<u>(1,541,061)</u>
<b>Other financing sources (uses):</b>					
Proceeds from capital lease	-	-	-	36,779	36,779
Transfers in	2,236,480	-	30,699	243,812	2,510,991
Transfers out	-	(1,313,648)	-	(216,142)	(1,529,790)
Total other financing sources (uses)	<u>2,236,480</u>	<u>(1,313,648)</u>	<u>30,699</u>	<u>64,449</u>	<u>1,017,980</u>
Net change in fund balance	(39,690)	278,687	(650,934)	(111,144)	(523,081)
Fund balances, beginning	<u>470,161</u>	<u>391,303</u>	<u>697,734</u>	<u>604,159</u>	<u>2,163,357</u>
Fund balances, ending	<u>\$ 430,471</u>	<u>\$ 669,990</u>	<u>\$ 46,800</u>	<u>\$ 493,015</u>	<u>\$ 1,640,276</u>

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

CITY OF OAKDALE, LOUISIANA

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

Total net changes in fund balances for the year ended June 30, 2021 per the statement of revenues, expenditures and changes in fund balances \$ (523,081)

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

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

Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 760,975	
Depreciation expense for the year ended June 30, 2021	<u>(346,697)</u>	414,278

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts, are amortized in the statement of activities over multiple periods.

Proceeds from issuance of debt received	(36,779)	
Repayment of long-term debt	<u>233,720</u>	196,941

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.

Compensated absences	7,319	
Accrued interest	2,984	
Net pension liability	<u>17,976</u>	<u>28,279</u>

Total changes in net position for the year ended June 30, 2021 per the statement of activities \$ 116,417

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

CITY OF OAKDALE, LOUISIANA

Statement of Net Position  
 Proprietary Fund  
 June 30, 2021

	<u>Enterprise Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and interest-bearing deposits	\$ 266,194
Receivables -	
Accounts, net	205,847
Due from other governmental units	<u>5,952,810</u>
Total current assets	<u>6,424,851</u>
Noncurrent assets:	
Restricted assets-	
Cash and interest-bearing deposits	<u>849,935</u>
Land	1,407,394
Capital assets, net	<u>6,644,060</u>
Total noncurrent assets	<u>8,901,389</u>
Total assets	<u>15,326,240</u>
<b>LIABILITIES</b>	
Current liabilities (payable from current assets):	
Accounts and other payables	23,596
Construction and retainage payable	<u>979,800</u>
Total	<u>1,003,396</u>
Current liabilities (payable from restricted assets):	
Customer deposits	90,558
Revenue bonds	168,000
Accrued interest payable	<u>4,878</u>
Total	<u>263,436</u>
Total current liabilities	1,266,832
Noncurrent liabilities:	
Revenue bonds	<u>8,506,959</u>
Total liabilities	<u>9,773,791</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,997,441
Restricted	86,363
Unrestricted	<u>(531,355)</u>
Total net position	<u>\$ 5,552,449</u>

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

CITY OF OAKDALE, LOUISIANA

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

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Water charges	\$ 1,039,370
Sewer charges	<u>991,912</u>
Total operating revenues	<u>2,031,282</u>
Operating expenses:	
Water department	358,886
Sewer department	<u>712,374</u>
Total operating expenses	<u>1,071,260</u>
Operating income	960,022
Nonoperating revenues:	
Interest income	1,159
Interest and fiscal charges	<u>(144,969)</u>
Total nonoperating income	<u>(143,810)</u>
Income before contributions and transfers	816,212
Capital contributions	<u>68,041</u>
Income before transfers	884,253
Transfers:	
Transfers in (out)	<u>(981,201)</u>
Change in net position	(96,948)
Net position, beginning	<u>5,649,397</u>
Net position, ending	<u>\$ 5,552,449</u>

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

CITY OF OAKDALE, LOUISIANA

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

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 2,033,748
Payments to suppliers	(522,494)
Payments to employees	<u>(156,921)</u>
Net cash provided by operating activities	<u>1,354,333</u>
Cash flows from noncapital financing activities:	
Net increase in customer deposits payable	1,937
Net transfers to other funds	<u>(981,201)</u>
Net cash used by noncapital financing activities	<u>(979,264)</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bond maturities	6,716,959
Interest paid on revenue bonds	(143,964)
Capital contributions	(5,884,769)
Net purchase of capital assets	<u>(359,409)</u>
Net cash provided by capital and related financing activities	<u>328,817</u>
Cash flows from investing activities:	
Net maturities (purchases) of investments	(1,056)
Interest received on interest-bearing deposits	<u>1,159</u>
Net cash provided by investing activities	<u>103</u>
Net increase in cash and cash equivalents	703,989
Cash and cash equivalents, beginning of period	<u>332,038</u>
Cash and cash equivalents, end of period	<u>\$ 1,036,027</u>

(continued)

CITY OF OAKDALE, LOUISIANA

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

	<u>Enterprise Fund</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 960,022
Adjustments to reconcile operating income to net cash provided by operating activities -	
Depreciation	412,036
Changes in current assets and liabilities:	
Decrease in accounts receivable	2,466
Decrease in accounts payable	<u>(20,191)</u>
Net cash provided by operating activities	<u>\$ 1,354,333</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash and interest-bearing deposits - unrestricted	\$ 61,636
Interest-bearing deposits - restricted	349,448
Less: Certificates of deposit with a maturity greater than three months when purchased	<u>(79,046)</u>
Total cash and cash equivalents	<u>332,038</u>
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits - unrestricted	266,194
Interest-bearing deposits - restricted	849,935
Less: Certificates of deposit with a maturity greater than three months when purchased	<u>(80,102)</u>
Total cash and cash equivalents	<u>1,036,027</u>
Net increase	<u>\$ 703,989</u>

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

## CITY OF OAKDALE, LOUISIANA

### Notes to Basic Financial Statements

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

The accompanying financial statements of the City of Oakdale, Louisiana (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

##### A. Financial Reporting Entity

The City of Oakdale, Louisiana was incorporated in the year 1890 under the provisions of the Lawrason Act. The City operates the Mayor-City Council form of government. The City is located in the parish of Allen and has a population of approximately 6,692.

As the municipal governing authority, for reporting purposes, the City of Oakdale, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, and (d) organizations that are closely related to, or financially integrated with the primary government.

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, "Defining the Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's government authority (Mayor and Council) appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or whether the potential component unit is fiscally dependent on the primary government.
3. Financial benefit/burden relationship between the primary government and the potential component unit.
4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

## CITY OF OAKDALE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The City of Oakdale is a primary government and has no component units. The accompanying financial statements present information only on the funds maintained by the City and do not present information on any other governmental unit.

#### B. Basis of Presentation

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

The government-wide financial statements provide operational accountability information for the City as an economic unit. The government-wide financial statements report the City's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the primary government.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type 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 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 on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses, and transfers. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the City. The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed in a separate column.

Major funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the corresponding totals for all funds of that category or type (total governmental or enterprise funds) and at least five percent of the corresponding total for all governmental and enterprise funds combined or funds designated as major at the discretion of the City. The General Fund is always a major fund. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The City uses the following funds, grouped by fund type.

## CITY OF OAKDALE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Governmental Funds -

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balance of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

#### General Fund

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

#### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects of the City. The following is the City's major Special Revenue Fund:

The Sales Tax Fund is used to account for the proceeds of a one percent and 0.3 percent sales and use tax that are legally restricted to expenditures for specific purposes.

#### Capital Projects Funds

Capital Projects Funds are used to report resources that are restricted, committed, or assigned to expenditures for major capital acquisition and construction separately from ongoing operational activities. The City has one major capital projects fund, the Street Improvement Fund.

#### Debt Service Funds

Debt Service Funds are used to account for and report resources that are restricted, committed, or assigned to expenditures for principal and interest. The City has no major debt service funds.

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and nonmajor funds aggregated. A reconciliation is presented to summarize the differences in fund balances of the governmental fund financial statements and the net position of the governmental activities in the government-wide financial statements.

## CITY OF OAKDALE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Proprietary Funds –

Proprietary funds are used to account for the City's ongoing operations and activities which are similar to those often found in the private sector where the intent is that costs of providing goods and services be recovered through user charges. The proprietary funds maintained by the City are enterprise funds.

#### Enterprise Funds

Enterprise funds are proprietary funds that are used to report activities for which a fee is charged to external users. These funds 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 System Fund.

Enterprise fund financial statements include a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows. The enterprise fund financial information is presented under the business-type activities column.

#### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental and business-type activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus, or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. The measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income. The measurement focus of the proprietary fund types, the flow of economic resources, is based upon determination of net income, net position and cash flows.

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures 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. An exception to this is grant revenue collected on a reimbursement basis.

## CITY OF OAKDALE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. The City considers reimbursement amounts received within one year as available. The City accrues intergovernmental revenue, ad valorem and sales tax revenue, franchise fees, charges for services, and investment income based upon this concept. Expenditures generally are recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded as expenditures when paid.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursement for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the City. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the City and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The financial statements of the enterprise funds have been prepared in accordance with the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses and related liabilities are recorded when incurred.

#### 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 cash on hand, demand accounts, savings accounts, and certificates of deposits of the City. 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 of America. The City may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana.

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

## CITY OF OAKDALE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customers' utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The City did not report an allowance for customers' utility receivables at June 30, 2021 due to immateriality. 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.

#### 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 are reported as "advances to and from other funds." Interfund receivables and payables, advances to and from other funds, as well as due to and from other funds are eliminated in the statement of net position.

#### Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021 are recorded as prepaid items. The City utilizes the consumption method to account for prepaid items.

#### 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 utility meter deposits and revenue bond accounts.

#### Capital Assets

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

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Buildings and improvements	40 years
Infrastructure	20-50 years
Equipment and furniture	3-20 years
Vehicles	5 years
Utility system and improvements	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 funds upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the general obligation and revenue bonds payable, capital leases payable, and compensated absences.

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

Sick leave is earned at the rate of 40 to 200 hours per year depending upon length of service. Sick leave cannot be accumulated for use in future years nor is it payable at termination of employment. Vacation leave is earned over a calendar year basis at an amount dependent upon years of service. Accumulated vacation time is payable at termination of employment. Compensated absence liabilities are computed using the regular pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as social security and medicare taxes and retirement contributions compiled using rates in effect at that date. All compensated absences liabilities are accrued when incurred in the government-wide and proprietary fund financial statements. On the governmental

## CITY OF OAKDALE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

fund statements, compensated absences are only accrued if the obligation has matured, in other words, the obligation becomes due and payable because of employee resignations or retirements.

#### Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense (See Note 13), have been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Member's earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Non-employer contributions are recognized as revenue in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when made.

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category, the deferred outflow of resources attributable to its pension plans.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate section represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, the deferred inflow of resources attributable to its pension plans.

#### Equity Classifications

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

- a. Net investment in capital assets consists of capital assets 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 OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- b. Restricted net position consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, and contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation. At June 30, 2021, the City reported \$1,330,106 of restricted net position, \$669,990 of which was restricted by enabling legislation. It is the City's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.
- c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

- a. Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact. The City's nonspendable fund balance includes prepaid items.
- b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, donors, or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.
- c. Committed includes fund balance amounts that can be used only for specific purposes that are internally imposed by the City through formal legislative action of the Mayor and Council and does not lapse at year end. A committed fund balance constraint can only be established, modified, or rescinded by passage of an Ordinance (Law) by the Mayor and Council.
- d. Assigned includes fund balance amounts that are constrained by the City's intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the City Clerk and approval of a Resolution by the Mayor and Council.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

It is the City's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the City uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

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

E. Revenues, Expenditures, and Expenses

Revenues

The City considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The City generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The City's major revenues sources that meet this availability criterion are intergovernmental revenues, franchise fees, tax revenue, and charges for services.

There are three classifications of programmatic revenues for the City, program specific grant and contributions revenue (operating and capital) and charges for services. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. Charges for services are revenues derived directly from the program itself or from parties outside the City's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the City's general revenues. The primary sources of program revenues are fees, fines, and charges paid by recipients of goods and services, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and earned income in connection with the operation of the City's utility system.

Interest income is recorded as earned in the fund holding the interest-bearing asset.

Substantially all other revenues are recorded when received.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Operating Revenues and Expenses

In the proprietary funds, operating revenues are those revenues produced as a result of providing services and producing and delivering goods and/or services. Nonoperating revenues are funds primarily provided by investing activities, such as financial institution interest income, gains on disposal of assets, and insurance recoveries on property loss. Operating expense are those expenses related to the production of revenue. Nonoperating expenses are those expenses not directly related to the production of revenue and include items such as interest expense and losses on disposal of assets.

Expenditures/Expenses

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Ad valorem taxes	See Note 2
Sales tax	See Note 3
Sewer and water revenue	Utility operations

G. 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) 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 taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended June 30, 2021, taxes of 19.51 mills were levied on property with assessed valuations totaling \$20,209,520 and were dedicated as follows:

General maintenance	6.44 mills
Street improvements	7.75 mills
Fire department maintenance	<u>5.32</u> mills
Total	<u>19.51</u> mills

Total taxes levied were \$395,895. Taxes receivable at June 30, 2021 totaled \$12,098.

(3) Sales and Use Tax

A. Proceeds of the 1% sales and use tax levied by the City of Oakdale, Louisiana, (2021 collections \$1,235,745) are dedicated for the following purposes in the following order:

Constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works, waterworks, facilities, streets, alleys, bridges, drains and drainage facilities; public buildings, purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, buildings, improvements and facilities; and for the purpose of paying principal and interest on any bonded for funded indebtedness of the City incurred for any of said purposes.

B. Proceeds of the 0.3% sales and use tax levied by the City of Oakdale, Louisiana, (2021 collections \$369,119) are dedicated to the following purposes:

For improving, maintaining, and operating the police and fire departments of the City, and for the purpose of paying the costs of the acquisition of equipment for the department of public works.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Cash, 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 direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of 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) as follows

Demand deposits	\$ 46,800
Money market accounts	2,395,911
Time deposits	<u>80,102</u>
Total	<u>\$ 2,522,813</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 collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2021, are secured as follows:

Bank balances	<u>\$ 2,504,243</u>
Federal deposit insurance	\$ 298,575
Pledged securities	<u>2,205,668</u>
Total	<u>\$ 2,504,243</u>

Deposits in the amount of \$2,205,668 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Receivables

Receivables at June 30, 2021 consist of the following:

	Governmental Activities	Business-Type Activities	Total
Accounts, net	\$ -	\$ 205,847	\$ 205,847
Ad valorem tax	12,098	-	12,098
Sales tax	274,931	-	274,931
Franchise tax	45,440	-	45,440
Totals	<u>\$ 332,469</u>	<u>\$ 205,847</u>	<u>\$ 538,316</u>

(6) Due from Other Governmental Units

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

Governmental activities:		
State of Louisiana - FEMA reimbursements		\$ 1,827,192
Oakdale Housing Authority - PILOT		24,942
Coushatta Tribe of Louisiana - gaming revenue		33,745
Business-type activities:		
State of Louisiana - Department of Health and Hospitals		3,493,220
State of Louisiana - Department of Environmental Quality		<u>2,459,590</u>
Total		<u>\$ 7,838,689</u>

(7) Restricted Assets

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

Governmental activities:		
Construction		\$ 46,800
Bond reserve and sinking funds		355,513
Business-type activities:		
Construction		503,941
Customer deposits		90,558
Revenue bond reserve and sinking funds		<u>255,436</u>
Total restricted assets		<u>\$ 1,252,248</u>

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 532,583	\$ -	\$ -	\$ 532,583
Other capital assets:				
Buildings	5,871,852	-	-	5,871,852
Improvements	2,358,728	-	-	2,358,728
Infrastructure	1,527,400	681,633	-	2,209,033
Vehicles	1,450,121	42,563	-	1,492,684
Equipment, furniture, and fixtures	1,699,367	36,779	-	1,736,146
Totals	<u>13,440,051</u>	<u>760,975</u>	<u>-</u>	<u>14,201,026</u>
Less accumulated depreciation				
Buildings	4,510,332	66,170	-	4,576,502
Improvements	477,447	87,908	-	565,355
Infrastructure	602,414	41,966	-	644,380
Vehicles	1,177,142	60,982	-	1,238,124
Equipment, furniture, and fixtures	1,264,852	89,671	-	1,354,523
Total accumulated depreciation	<u>8,032,187</u>	<u>346,697</u>	<u>-</u>	<u>8,378,884</u>
Governmental activities, capital assets, net	<u>\$ 5,407,864</u>	<u>\$ 414,278</u>	<u>\$ -</u>	<u>\$ 5,822,142</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 70,543	\$ -	\$ -	\$ 70,543
Construction in progress	-	1,336,851	-	1,336,851
Other capital assets:				
Water system	4,288,266	-	-	4,288,266
Sewer system	13,371,099	-	-	13,371,099
Totals	<u>17,729,908</u>	<u>1,336,851</u>	<u>-</u>	<u>19,066,759</u>
Less accumulated depreciation				
Water system	2,539,079	107,506	-	2,646,585
Sewer system	8,064,190	304,530	-	8,368,720
Total accumulated depreciation	<u>10,603,269</u>	<u>412,036</u>	<u>-</u>	<u>11,015,305</u>
Business-type activities, capital assets, net	<u>\$ 7,126,639</u>	<u>\$ 924,815</u>	<u>\$ -</u>	<u>\$ 8,051,454</u>

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 57,680
Police	42,860
Fire	38,160
Public works	191,391
Health and recreation	<u>16,606</u>
Total depreciation expense	<u>\$ 346,697</u>

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

Water	\$ 107,506
Sewer	<u>304,530</u>
Total depreciation expense	<u>\$ 412,036</u>

(9) Accounts and Other Payables

Accounts and other payables at June 30, 2021 consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts payable	\$ 1,969,666	\$ 23,596	\$ 1,993,262
Accrued liabilities	68,773	-	68,773
Construction and retainage payable	<u>-</u>	<u>979,800</u>	<u>979,800</u>
Totals	<u>\$ 2,038,439</u>	<u>\$ 1,003,396</u>	<u>\$ 3,041,835</u>

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(10) Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount due in one year</u>
Long-term debt:					
Direct placements:					
Revenue bonds	\$ 1,958,000	\$ 6,940,000	\$ 223,041	\$ 8,674,959	\$ 168,000
Revolving loan	114,412	-	114,412	-	-
General obligation bonds	1,925,000	-	80,000	1,845,000	80,000
Capital leases	205,188	36,779	39,308	202,659	41,611
Other liabilities:					
Compensated absences	<u>26,044</u>	<u>-</u>	<u>7,319</u>	<u>18,725</u>	<u>-</u>
	<u>\$ 4,228,644</u>	<u>\$ 6,976,779</u>	<u>\$ 464,080</u>	<u>\$ 10,741,343</u>	<u>\$ 289,611</u>

Bonds payable at June 30, 2021 are comprised of the following individual issues:

Governmental activities:

General obligation bonds:

\$2,000,000 General Obligation Bonds, Series 2018, due in annual installments of \$75,000 - \$140,000 through March 1, 2038; interest at 1.25% - 4.50%, secured by ad valorem tax collections \$ 1,845,000

Business-type activities

Revenue bonds:

\$3,146,000 Sewer Revenue Bonds, Series 2010, due in annual installments of \$143,000 - \$172,000 through October 1, 2031; interest at 0.450%; secured by sewer system revenues \$ 1,803,000

\$3,800,000 Taxable Water Revenue Bonds, Series 2021, due in annual installments of \$149,000 - \$238,000 through September 1, 2040; interest at 2.45%, for the purpose of constructing and acquiring improvements, extensions and replacements to the waterworks system of the City. The bonds were sold to the Louisiana Department of Health and Hospitals, Drinking Water Revolving Loan Fund. 3,800,000  
(continued)

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

\$3,140,000 Taxable Sewer Revenue Bonds, Series 2021, due in annual installments of \$100,000 - \$142,000 through October 1, 2041; interest at 0.45%, for the purpose of constructing and acquiring improvements, extensions and replacements to the sewer system of the City. The bonds were sold to the Louisiana Department of Environmental Quality, Clean Water Revolving Loan Fund. Ten percent (10%) of the City's obligation to repay the principal of the bonds will be forgiven simultaneously with the payment by the Department of each installment of the purchase price of the bonds. At the time of the debt forgiveness, these amounts are recognized as grant revenue.

3,071,959

Total bonds payable applicable to business-type activities

\$ 8,674,959

Capital leases payable at June 30, 2021 consist of the following:

	Original Amount	Maturity Date	Interest Rates	Balance Outstanding
Fire equipment	\$ 241,071	09/15/28	3.500%	\$ 143,679
Police vehicles	79,362	12/01/22	6.00%	25,490
Fire radios	36,779	02/05/26	4.89%	33,490
	<u>\$ 357,212</u>			<u>\$ 202,659</u>

Annual debt service requirements of bonds outstanding are as follows:

Year ending June 30,	Governmental Activities		Business-Type Activities		Total	
	Principal payments	Interest payments	Principal payments	Interest payments	Principal payments	Interest payments
2022	\$ 80,000	\$ 67,582	\$ 168,000	\$ 34,335	\$ 248,000	\$ 101,917
2023	85,000	66,182	450,000	110,826	535,000	177,008
2024	85,000	64,482	459,000	104,965	544,000	169,447
2025	90,000	62,570	465,000	99,022	555,000	161,592
2026	95,000	60,320	471,000	92,888	566,000	153,208
2027 - 2031	515,000	246,018	2,583,320	370,782	3,098,320	616,800
2032 - 2036	620,000	138,900	1,965,320	195,341	2,585,320	334,241
2037 - 2041	275,000	18,940	2,113,319	108,801	2,388,319	127,741
Total	<u>\$ 1,845,000</u>	<u>\$ 724,994</u>	<u>\$ 8,674,959</u>	<u>\$ 1,116,960</u>	<u>\$ 10,519,959</u>	<u>\$ 1,841,954</u>

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Annual debt service requirements to maturity for capital leases are as follows:

Year Ending June 30	Governmental Activities
2022	\$ 49,094
2023	35,867
2024	29,253
2025	29,253
2026	25,085
2027 - 2030	62,750
Less: Amount representing interest	<u>(28,643)</u>
Present value of future minimum lease payments	<u>\$ 202,659</u>

Leased equipment and vehicles under capital leases included in capital assets at June 30, 2021 are as follows:

Equipment and vehicles	\$ 360,067
Less: Accumulated depreciation	<u>(156,201)</u>
Net	<u>\$ 203,866</u>

Depreciation of leased equipment and vehicles under capital leases in the amount of \$33,740 for the year ended June 30, 2021 is included in depreciation expense.

Compensated absences payable is not amortizable because the timing of the payouts is based on factors outside the City's control.

(11) Deficit Fund Balance

The Fire Department Special Revenue Fund, included in the Other Governmental Funds financial statements, had a deficit fund balance at June 30, 2021 of \$60,422. This deficit will be eliminated by increasing revenues and/or reducing expenditures as well as transfers from other funds.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Flow of Funds; Restrictions on Use

Business-type activities:

Sewer Revenue Bonds, Series 2010

Under the terms of the \$3,146,000 Sewer Revenue Bonds, Series 2010, the City is required to maintain sinking fund in an amount to pay promptly and fully the principal of and interest on the bonds by transferring monthly payments on or before the 20<sup>th</sup> day of each month commencing in November 2010 a sum equal to 1/6<sup>th</sup> of the next interest payment due and 1/12<sup>th</sup> of the next principal due.

Under the terms of the \$3,146,000 Sewer Revenue Bonds, Series 2010, the City is required to maintain a reserve fund to be retained solely for the purpose of paying the principal of and interest on the bonds by transferring on or before the 20<sup>th</sup> day of each month a sum at least equal to 25% of the amount to be paid into the sinking fund until such time as there has been accumulated a sum equal to \$172,774.

Under the terms of the \$3,146,000 Sewer Revenue Bonds, Series 2010, the City is required to maintain a depreciation and contingency fund. The City is required to set aside into this fund monthly in advance on or before the 20<sup>th</sup> of each month a sum at least equal to 5% of the net revenues of the preceding month until such time as there has been accumulated a sum equal to \$150,000.

During the year ended June 30, 2021, the monthly sinking, reserve, and depreciation and contingency fund transfers were made as required by the agreement.

Taxable Water Revenue Bonds, Series 2021

Under the terms of the \$3,800,000 Taxable Water Revenue Bonds, Series 2021, the City is required to maintain a sinking fund in an amount to pay promptly and fully the principal of and interest on the bonds by transferring monthly payments on or before the 20<sup>th</sup> day of each month commencing in March 2021 a sum equal to 1/6<sup>th</sup> of the next interest payment due and 1/12<sup>th</sup> of the next principal due.

Under the terms of the \$3,800,000 Taxable Water Revenue Bonds, Series 2021, the City is required to maintain a reserve fund to be retained solely for the purpose of paying the principal of and interest on the bonds by transferring on or before the 20<sup>th</sup> day of each month a sum at least equal to 25% of the amount to be paid into the sinking fund until such time as there has been accumulated a sum equal to \$120,458.

Under the terms of the \$3,800,000 Taxable Water Revenue Bonds, Series 2021, the City is required to maintain a depreciation and contingency fund. The City is required to set aside into this fund monthly in advance on or before the 20<sup>th</sup> of each month a sum at least equal to 5% of the net revenues of the preceding month until such time as there has been accumulated a sum equal to \$250,000.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

During the year ended June 30, 2021, the monthly sinking, reserve, and depreciation and contingency fund transfers were made as required by the agreement.

Taxable Sewer Revenue Bonds, Series 2021

Under the terms of the \$3,140,000 Taxable Sewer Revenue Bonds, Series 2021, the City is required to maintain a sinking fund in an amount to pay promptly and fully the principal of and interest on the bonds by transferring monthly payments on or before the 20<sup>th</sup> day of each month commencing in April 2021 a sum equal to 1/6<sup>th</sup> of the next interest payment due and 1/12<sup>th</sup> of the next principal due.

Under the terms of the \$3,140,000 Taxable Sewer Revenue Bonds, Series 2021, the City is required to maintain a reserve fund to be retained solely for the purpose of paying the principal of and interest on the bonds by transferring on or before the 20<sup>th</sup> day of each month a sum at least equal to 25% of the amount to be paid into the sinking fund until such time as there has been accumulated a sum equal to \$168,147.

Under the terms of the \$3,140,000 Taxable Sewer Revenue Bonds, Series 2021, the City is required to maintain a depreciation and contingency fund. The City is required to set aside into this fund monthly in advance on or before the 20<sup>th</sup> of each month a sum at least equal to 5% of the net revenues of the preceding month until such time as there has been accumulated a sum equal to \$250,000.

During the year ended June 30, 2021, the monthly sinking, reserve, and depreciation and contingency fund transfers were made as required by the agreement.

(13) Pension Plans

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

**Plan Descriptions**

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

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

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Louisiana State Employees' Retirement System (LASERS) provides retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in the Louisiana Revised Statutes. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer, and job classification.

The system's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year collected by the tax collector.

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

	MERS	MPERS	FRS	LASERS
Final average salary	Highest 60 months	Highest 36 months or 60 months <sup>2</sup>	Highest 36 months	Highest 36 months or 60 months <sup>6</sup>
Years of service required and/or age eligible for benefits	25 years any age 10 years age 60 20 years any age <sup>1</sup>	25 years any age 20 years age 55 12 years age 55 20 years any age <sup>1</sup> 30 years any age <sup>3</sup> 25 years age 55 <sup>3</sup> 10 years age 60 <sup>3</sup>	25 years any age 20 years age 50 12 years age 55	30 years of any age 25 years age 55 20 years of any age <sup>1</sup> 5-10 years age 60 <sup>6</sup>
Benefit percent per years of service	3.00%	2.5% - 3.33% <sup>4</sup>	3.33%	2.5% - 3.5% <sup>8</sup>

<sup>1</sup> With actuarial reduced benefits

<sup>2</sup> Membership commencing January 1, 2013

<sup>3</sup> Under non hazardous duty sub plan commencing January 1, 2013

<sup>4</sup> Membership commencing January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, membership prior to January 1, 2013 3.33%

<sup>5</sup> Employees hired after 6/30/06 use the revised benefit calculation based on the highest 60 months

<sup>6</sup> Five to ten years of creditable service at age 60 depending upon the plan or when hired

**Contributions**

Article X, Section 29 (E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, MERS receives a percentage of ad valorem taxes collected parishes. Also, MPERS and FRS receive a percentage of insurance premium tax monies as additional employer contributions. These entities are

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

not participating employers in the pension systems and are considered to be nonemployer contributing entities. Contributions of employers, and nonemployer contributing entities effective for the year ended June 30, 2021 for the defined benefit pension plans in which the City is a participating employer were as follows:

Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Amount from Nonemployer Contributing Entities	Amount of Government Contributions
MERS	5.00%	29.50%	\$ 18,625	\$ 135,248
MPERS	10.00%	33.75%	19,777	74,090
FRS	10.00%	32.25%	17,144	58,565
LASERS	11.50%	42.50%	-	7,572

**Net Pension Liability**

The City’s net pension liability at June 30, 2021 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City’s net pension liability for each plan was measured as of the plans’ measurement date (June 30, 2020 for all plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability for each of the plans in which it participates was based on the City’s required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the City’s proportion for each plan and the change in proportion from the prior measurement date were as follows:

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
MERS	\$ 1,186,975	0.274546%	-0.017318%
MPERS	838,594	0.090734%	-0.010253%
FRS	424,138	0.061191%	0.004892%
LASERS	69,722	0.000843%	-0.000031%
Total	<u>\$ 2,519,429</u>		

Since the measurement date of the net pension liability was June 30, 2020, the net pension liability is based upon fiduciary net position for each of the plans as of that date. Detailed information about each pension plan’s assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City’s net pension liability is available in the separately issued plan financial reports for that fiscal year. The financial report for each plan may be accessed on their website as follows:

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

**Actuarial Assumptions**

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

	MERS	MPERS	FRS	LASERS
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019	7/1/2009 - 6/30/2014	6/30/2020
Expected remaining service lives	3	4	7	2
Inflation rate	2.500%	2.500%	2.500%	2.300%
Investment rate of return	6.95%	6.950%	7.00%	7.55%
Projected salary increases	4.9%-7.4%	4.70%-12.30%	4.50%-14.75%	(7)
Projected benefit changes including COLAs	None	None	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5)	(5), (6)	(8), (9)

- (1) PubG-2010(b) Healthy Retiree Table set equal to 120% for males and females using respective male and female MP2018 scales.
- (2) PubG-2010(B) Employee Table set equal to 120% for males and females using respective male and female MP2018 scales.
- (3) PubNS-2010(B) Disabled Retiree Tables set equal to 120% for males and females with full generational MP2018 scale.
- (4) 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.
- (5) Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using MP2019 scales.
- (6) Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.
- (7) Based on a 2014-2018 experience study of plan members. Growth rates based upon members' years of service.
- (8) RP-2014 Combined Healthy Mortality Table with mortality improvements projected to 2018.
- (9) RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

**Cost of Living Adjustments**

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

**Discount Rate**

The discount rates used to measure the City’s total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are as follows:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>
Discount rate	6.95%	6.950%	7.15%	7.55%
Change in discount rate from prior valuation	-0.275%	-0.075%	-0.15%	-0.05%
Plan cash flow assumptions	(1)	(1)	(1)	(1)
Rates incorporated in the Discount Rate:				
Long-term Rate of Return	7.00%	7.125%	7.15%	7.55%
Periods applied	All	All	All	All
Municipal Bond Rate	N/A	N/A	N/A	N/A

\*Plan Cash Flow Assumptions:

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

The discount rates used to measure the City’s total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For MERS, MPERS, FRS, and LASERS, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Asset Class	MERS*		MPERS*		FRS*		LASERS**
	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return	Long-term Expected Rate of Return
Fixed Income	35%	1.50%	33.5%	0.80%	31%	2.17%	1.76%
International fixed income	-	-	-	-	-	-	3.98%
Equities	50%	2.20%	48.5%	3.28%	49%	6.69%	0.00%
Domestic Equity	-	-	-	-	-	-	4.79%
International Equity	-	-	-	-	-	-	5.83%
Global Tactical Asset Allocation	-	-	-	-	-	-	-
Alternative Investments	15%	0.60%	18%	1.06%	10%	4.52%	6.69%
Other	-	-	-	-	10%	7.33%	3.61%
Total	<u>100%</u>		<u>100%</u>		<u>100%</u>		

\*Arithmetic real rates of return

\*\* Geometric real rates of return

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2021, the City recognized \$37,570 in pension expense (benefit) related to all defined benefit plans in which it participates. MERS, MPERS, and FRS recognized revenues in the amount of \$55,546 in ad valorem taxes and insurance premium tax monies collected from nonemployer contributing entities

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>          </u>	<u>          </u>
Differences between expected and actual experience	\$ 550	\$ 67,568
Changes of assumptions	81,120	20,695
Net difference between projected and actual earnings on pension plan investments	275,956	-
Change in proportion and differences between employer contributions and proportionate share of contributions	128,229	288,130
Employer contributions subsequent to the measurement date	<u>275,475</u>	<u>-</u>
Total	<u>\$ 761,330</u>	<u>\$ 376,393</u>

Deferred outflows of resources of \$275,475 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended June 30	Net Amount Recognized in Pension Expense
<u>          </u>	<u>          </u>
2022	\$ (54,204)
2023	67,073
2024	35,859
2025	46,945
2026	8,752
Thereafter	<u>5,037</u>
	<u>\$ 109,462</u>

**Sensitivity of the City’s Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate**

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.95%	\$ 1,544,124	\$ 1,186,975	\$ 884,990
MPERS	6.95%	1,178,135	838,594	554,751
FRS	7.00%	612,678	424,138	266,782
LASERS	7.55%	85,677	69,722	56,182
Total		<u>\$ 3,420,614</u>	<u>\$ 2,519,429</u>	<u>\$ 1,762,705</u>

**Payables to Pension Plans**

At June 30, 2021, the City reported payables of \$25,658 for the outstanding amount of contributions due to the retirement systems for the year.

(14) Litigation and Claims

At June 30, 2021, the City of Oakdale was a defendant in several lawsuits. The City's legal counsel has reviewed the claims and lawsuits, in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City not covered by insurance. As a result of the review, no additional claims payable was required to be recorded as a liability to the City, which are not considered covered by insurance.

(15) 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, nor have settlements exceeded coverage for the past three years.

(16) On-Behalf Payment of Salaries

The State of Louisiana paid the City's policemen and firemen \$47,567 of supplemental pay during the year ended June 30, 2021. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide, General Fund, and Other Governmental Funds financial statements.

(17) Uncertainties Arising During and After Financial Statement Date

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may have and may continue to impact the City's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(18) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at June 30, 2021:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 21,114	\$ 53,212
Non major governmental funds:		
Fire Department Fund	-	52,189
Bonded Debt Fund	<u>84,287</u>	<u>-</u>
Total	<u>\$ 105,401</u>	<u>\$ 105,401</u>

The amounts due to various other funds are for short-term loans.

B. Transfers consist of the following at June 30, 2021:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 2,236,480	\$ -
Sales Tax Fund	-	1,313,648
Street Improvement Capital Projects Fund	30,699	-
Non major governmental funds:		
Gaming Fund	-	216,142
Fire Department Fund	176,011	-
Bonded Debt Fund	<u>67,801</u>	<u>-</u>
Total governmental funds	2,510,991	1,529,790
Proprietary funds:		
Utility Fund	<u>-</u>	<u>981,201</u>
Total	<u>\$ 2,510,991</u>	<u>\$ 2,510,991</u>

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(19) Compensation, Benefits, and Other Payments to Mayor

A detail of compensation, benefits, and other payments paid to Mayor Gene Paul for the year ended June 30, 2021 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 45,000
Benefits - insurance	3,875
Benefits - retirement	11,138
Reimbursements	4,761
Registration fees	1,670
	<u>\$ 66,444</u>

(20) Compensation of City Officials

A detail of compensation paid to the Mayor and Council Members for the year ended June 30, 2021 follows:

Gene Paul, Mayor	\$ 45,000
Council Members:	
Ralph Stapleton	4,800
George Ashy II	10,200
Jeremy Smith	3,974
Cassandra Allison	8,400
Frederick Douglas	8,400
Ervin Willis	8,400
Total	<u>\$ 89,174</u>

(21) Theft of Assets

During the year, in conjunction with the annual audit for fiscal year ending June 30, 2020, misappropriations were identified. This matter was investigated by the Louisiana Legislative Auditor's Investigative Audit Division who issued a report dated January 12, 2022, in which potential misappropriations totaling \$897,818 were identified during the period January 1, 2014 to March 17, 2021. This publicly available report can be found at <https://www.la.la.gov/reports-data/>.

The total potential misappropriation included in the June 30, 2021 financial statements totaled \$440,672, of which \$236,919 represented lost intergovernmental revenue seized through the United States Treasury Offset Program to settle a tax lien for unpaid state withholding taxes, penalties, and interest from the year 2016. Based upon the amount of taxes assessed, it is believed that these unpaid taxes represent an assessment on fraudulent payroll transactions. As of the date of this report, no restitution has been received; however, fidelity bond insurance claims were filed and insurance proceeds totaling \$105,000 were received.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

CITY OF OAKDALE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
Taxes	\$ 432,847	\$ 359,814	\$ 367,505	\$ 7,691
Licenses and permits	234,996	153,957	225,361	71,404
Intergovernmental	139,742	107,017	2,168,678	2,061,661
Fines and forfeits	68,275	55,175	57,742	2,567
Miscellaneous	121,973	677,168	200,557	(476,611)
Total revenues	<u>997,833</u>	<u>1,353,131</u>	<u>3,019,843</u>	<u>1,666,712</u>
<b>Expenditures:</b>				
Current -				
General government	817,824	918,090	1,502,062	(583,972)
Public safety:				
Police	1,028,027	998,700	1,001,726	(3,026)
Public works	498,256	437,722	2,580,676	(2,142,954)
Health and recreation	125,537	131,469	145,839	(14,370)
Capital outlay	-	-	42,563	(42,563)
Debt service	19,185	19,185	23,147	(3,962)
Total expenditures	<u>2,488,829</u>	<u>2,505,166</u>	<u>5,296,013</u>	<u>(2,790,847)</u>
Deficiency of revenues over expenditures	(1,490,996)	(1,152,035)	(2,276,170)	(1,124,135)
<b>Other financing sources:</b>				
Transfers in	-	452,482	2,236,480	1,783,998
Net change in fund balance	(1,490,996)	(699,553)	(39,690)	659,863
Fund balance, beginning	<u>470,161</u>	<u>470,161</u>	<u>470,161</u>	<u>-</u>
Fund balance (deficit), ending	<u><u>\$(1,020,835)</u></u>	<u><u>\$(229,392)</u></u>	<u><u>\$ 430,471</u></u>	<u><u>\$ 659,863</u></u>

The accompanying notes are an integral part of this schedule.

CITY OF OAKDALE, LOUISIANA  
Sales Tax Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 1,169,694	\$ 1,449,992	\$ 1,604,864	\$ 154,872
Miscellaneous - interest	<u>          -</u>	<u>          17</u>	<u>          25</u>	<u>          8</u>
Total revenues	<u>1,169,694</u>	<u>1,450,009</u>	<u>1,604,889</u>	<u>154,880</u>
Expenditures:				
Current -				
General government:				
Collection fees	<u>      23,394</u>	<u>      29,000</u>	<u>      12,554</u>	<u>      16,446</u>
Excess of revenues over expenditures	1,146,300	1,421,009	1,592,335	171,326
Other financing uses:				
Transfers out	<u>          -</u>	<u>          -</u>	<u>(1,313,648)</u>	<u>(1,313,648)</u>
Net change in fund balance	1,146,300	1,421,009	278,687	(1,142,322)
Fund balance, beginning	<u>      391,303</u>	<u>      391,303</u>	<u>      391,303</u>	<u>          -</u>
Fund balance, ending	<u><u>\$ 1,537,603</u></u>	<u><u>\$ 1,812,312</u></u>	<u><u>\$ 669,990</u></u>	<u><u>\$ (1,142,322)</u></u>

The accompanying notes are an integral part of this schedule.

CITY OF OAKDALE, LOUISIANA

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

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>Municipal Employees' Retirement System of Louisiana - Plan A:</b>					
2021	0.274546%	\$ 1,186,975	\$ 500,020	237.4%	64.52%
2020	0.291864%	1,219,601	523,646	232.9%	64.68%
2019	0.291401%	1,206,598	513,968	234.8%	63.94%
2018	0.282155%	1,180,373	508,133	232.3%	62.49%
2017	30.442200%	1,247,738	541,947	230.2%	62.11%
2016	0.355219%	1,268,898	596,083	212.9%	66.18%
2015	0.355441%	912,220	612,943	148.8%	73.99%
<b>Municipal Police Employees' Retirement System of Louisiana:</b>					
2021	0.090734%	\$ 838,594	\$ 253,279	331.1%	70.94%
2020	0.100987%	917,131	268,297	341.8%	71.01%
2019	0.082063%	693,766	291,545	238.0%	71.89%
2018	0.136121%	1,188,394	412,690	288.0%	70.08%
2017	0.147320%	1,380,803	373,969	369.2%	66.04%
2016	0.122289%	958,006	394,627	242.8%	70.73%
2015	0.136625%	854,737	387,367	220.7%	75.10%
<b>Firefighters' Retirement System of Louisiana:</b>					
2021	0.061191%	\$ 424,138	\$ 152,342	278.4%	72.61%
2020	0.056299%	352,539	136,067	259.1%	73.96%
2019	0.053170%	305,838	126,588	241.6%	74.76%
2018	0.065821%	377,276	153,682	245.5%	73.55%
2017	0.072197%	472,234	162,787	290.1%	68.16%
2016	0.067254%	362,977	136,935	265.1%	72.45%
2015	0.058989%	262,496	132,173	198.6%	76.02%
<b>Louisiana State Employees' Retirement System:</b>					
2021	0.000843%	\$ 69,722	\$ 18,083	385.6%	58.00%
2020	0.000874%	63,321	18,083	350.2%	62.90%
2019	0.000913%	62,266	18,083	344.3%	64.30%
2018	0.000947%	66,658	17,388	383.4%	62.50%
2017	0.000940%	73,971	16,692	443.2%	57.70%
2016	0.001050%	71,484	17,388	411.1%	62.70%

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

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

The accompanying notes are an integral part of this schedule.

CITY OF OAKDALE, LOUISIANA

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

Year ended June 30,	Contractually Required Contribution	Employer Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
<b>Municipal Employees' Retirement System of Louisiana - Plan A:</b>					
2021	\$ 135,247	\$ 135,248	\$ (1)	\$ 458,466	29.50%
2020	138,756	138,756	-	500,020	27.75%
2019	136,148	136,148	-	523,646	26.00%
2018	127,207	127,207	-	513,968	24.75%
2017	115,600	115,600	-	508,133	22.75%
2016	107,035	107,035	-	541,947	19.75%
2015	117,726	117,726	-	596,083	19.75%
<b>Municipal Police Employees' Retirement System of Louisiana:</b>					
2021	\$ 74,089	\$ 74,090	\$ (1)	\$ 219,524	33.75%
2020	82,316	82,316	-	253,279	32.50%
2019	86,526	86,526	-	268,297	32.25%
2018	89,650	89,650	-	291,545	30.75%
2017	131,029	131,029	-	412,690	31.75%
2016	110,321	110,321	-	373,969	29.50%
2015	124,308	124,308	-	394,627	31.50%
<b>Firefighters' Retirement System of Louisiana:</b>					
2021	\$ 58,565	\$ 58,565	\$ -	\$ 181,596	32.25%
2020	42,275	42,275	-	152,342	27.75%
2019	36,058	36,058	-	136,067	26.50%
2018	33,546	37,339	(3,793)	126,588	29.50%
2017	38,805	38,805	-	153,682	25.25%
2016	44,359	44,360	(1)	162,787	27.25%
2015	40,053	40,054	(1)	136,935	29.25%
<b>Louisiana State Employees' Retirement System:</b>					
2021	\$ 7,576	\$ 7,572	\$ 4	\$ 17,827	42.47%
2020	7,667	7,667	-	18,083	42.40%
2019	7,251	7,251	-	18,083	40.10%
2018	7,251	7,251	-	18,083	40.10%
2017	6,973	6,607	366	17,388	38.00%
2016	6,360	6,360	-	16,692	38.10%

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

The accompanying notes are an integral part of this schedule.

CITY OF OAKDALE, LOUISIANA

Notes to Required Supplementary Information

(1) Budget and Budgetary Accounting

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

1. The City Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Council not later than May 15<sup>th</sup> of each fiscal year.
2. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted but no later than June 15<sup>th</sup> of each fiscal year.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Council. Such amendments were not material in relation to the original appropriations.

(2) Excess of Expenditures Over Appropriations

The General Fund incurred expenditures in excess of appropriations totaling \$2,790,847 for the year ended June 30, 2021.



CITY OF OAKDALE, LOUISIANA

Notes to Required Supplementary Information

*					
Year ended	Discount	Investment	Inflation	Expected	Projected
June 30,	Rate	Rate	Rate	Remaining	Salary
<u>June 30,</u>	<u>Rate</u>	<u>of Return</u>	<u>Rate</u>	<u>Service Lives</u>	<u>Increase</u>
<b>Louisiana State Employees' Retirement System:</b>					
2021	7.55%	7.55%	2.30%	2	3.0-13.8%
2020	7.60%	7.60%	2.50%	2	3.2-13.0%
2019	7.65%	7.65%	2.75%	3	3.8-12.8%
2018	7.70%	7.70%	2.75%	3	3.8-12.8%
2017	7.75%	7.75%	3.00%	3	4.0-13.0%
2016	7.75%	7.75%	3.00%	3	4.0-13.0%
2015	7.75%	7.75%	3.00%	3	4.1-13.0%

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

**OTHER SUPPLEMENTARY INFORMATION**

**OTHER FINANCIAL INFORMATION**

CITY OF OAKDALE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2021

	2021			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Taxes:				
Ad valorem	\$131,431	\$ 135,934	\$ 139,617	\$ 3,683
Franchise tax	<u>301,416</u>	<u>223,880</u>	<u>227,888</u>	<u>4,008</u>
Total taxes	<u>432,847</u>	<u>359,814</u>	<u>367,505</u>	<u>7,691</u>
Licenses and permits:				
Occupational licenses	<u>234,996</u>	<u>153,957</u>	<u>225,361</u>	<u>71,404</u>
Intergovernmental:				
State of Louisiana -				
Highway maintenance	9,450	-	9,450	9,450
Grants	98,000	68,942	2,119,811	2,050,869
Beer taxes	10,292	9,951	7,445	(2,506)
Housing Authority	22,000	22,689	24,942	2,253
Local grants	<u>-</u>	<u>5,435</u>	<u>7,030</u>	<u>1,595</u>
Total intergovernmental	<u>139,742</u>	<u>107,017</u>	<u>2,168,678</u>	<u>2,061,661</u>
Fines and court costs	<u>68,275</u>	<u>55,175</u>	<u>57,742</u>	<u>2,567</u>
Miscellaneous:				
Interest income	48	1	2	1
Rent	57,925	51,100	60,712	9,612
Other sources	<u>64,000</u>	<u>626,067</u>	<u>139,843</u>	<u>(486,224)</u>
Total miscellaneous	<u>121,973</u>	<u>677,168</u>	<u>200,557</u>	<u>(476,611)</u>
Total revenues	<u>\$997,833</u>	<u>\$1,353,131</u>	<u>\$ 3,019,843</u>	<u>\$1,666,712</u>

CITY OF OAKDALE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2021

	2021			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Current:				
General government -				
Legislative:				
Salaries	\$ 46,200	\$ 46,199	\$ 44,174	\$ 2,025
Employee health insurance	13,050	13,050	11,245	1,805
Payroll taxes	3,574	4,290	3,380	910
Travel and meetings	3,000	1,500	-	1,500
Judicial:				
Salaries	97,871	103,000	102,159	841
Retirement	25,639	35,000	31,915	3,085
Employee health insurance	17,796	13,000	9,314	3,686
Operations and maintenance	12,179	14,391	12,660	1,731
Payroll taxes	1,516	2,231	1,955	276
Executive:				
Salaries	45,000	47,000	45,000	2,000
Retirement	11,138	14,000	13,621	379
Employee health insurance	6,852	4,000	2,940	1,060
Payroll taxes	652	660	653	7
Travel and meetings	3,957	3,900	750	3,150
Legal:				
Salaries	27,000	27,000	27,000	-
District attorney	18,000	21,750	20,050	1,700
Payroll taxes	2,065	2,067	2,065	2
Financial administration:				
Salaries	185,000	195,000	245,710	(50,710)
Retirement	38,458	45,000	45,201	(201)
Employee health insurance	34,628	32,000	28,887	3,113
Payroll taxes	4,997	7,100	9,945	(2,845)
Office and operating supplies	36,000	44,000	43,077	923
Repairs and maintenance	5,000	4,000	3,064	936
Professional services	51,500	50,000	54,670	(4,670)
Telephone	9,000	7,000	2,968	4,032
Travel and meetings	2,000	2,000	1,331	669
Printing and advertising	15,000	22,000	19,506	2,494
Utilities	15,000	15,000	14,081	919
Insurance	50,000	50,000	81,846	(31,846)
Miscellaneous	5,000	3,600	443,142	(439,542)
Rental property	2,600	1,500	200	1,300
Gas, oil, tires, and batteries	5,000	5,000	3,429	1,571
Tax assessor fees	6,202	6,202	6,114	88
LMA convention	1,650	1,650	-	1,650
Computer maintenance agreement	11,000	4,000	8,954	(4,954)
Damage expenses	1,000	65,000	156,564	(91,564)
Dues and subscriptions	3,300	5,000	4,492	508
Total general government	<u>817,824</u>	<u>918,090</u>	<u>1,502,062</u>	<u>(583,972)</u>

(continued)

CITY OF OAKDALE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2021

	2021			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Public safety - police -				
Salaries	623,817	580,000	576,642	3,358
Retirement	110,857	95,000	95,545	(545)
Employee health insurance	76,325	58,000	59,727	(1,727)
Payroll taxes	21,372	30,500	29,850	650
Office and operating supplies	16,967	45,000	45,250	(250)
Repairs and maintenance	5,000	12,000	10,606	1,394
Telephone	14,000	7,000	5,969	1,031
Utilities	21,675	15,000	15,769	(769)
Insurance	89,212	72,000	60,179	11,821
Uniform expense	5,000	9,000	22,585	(13,585)
Personnel training	5,000	7,000	12,980	(5,980)
Care of prisoners	2,500	1,700	1,784	(84)
Gas, oil, tires, and batteries	36,302	44,000	46,384	(2,384)
Miscellaneous	-	22,500	18,456	4,044
Total public safety	<u>1,028,027</u>	<u>998,700</u>	<u>1,001,726</u>	<u>(3,026)</u>
Public works -				
Salaries	170,000	199,000	193,977	5,023
Retirement	29,000	18,000	15,673	2,327
Employee health insurance	34,500	11,000	8,524	2,476
Payroll taxes	8,269	14,500	11,755	2,745
Office and operating supplies	75,000	7,500	6,703	797
Repairs and maintenance	37,000	80,000	65,740	14,260
Utilities	99,500	90,000	84,173	5,827
Insurance	15,000	(28,878)	22,247	(51,125)
Miscellaneous	4,850	15,100	11,189	3,911
Hurricane damage	1,137	1,500	2,136,456	(2,134,956)
Gas, oil, tires, and batteries	24,000	30,000	24,239	5,761
Total highways and streets	<u>498,256</u>	<u>437,722</u>	<u>2,580,676</u>	<u>(2,142,954)</u>
Health and recreation -				
Salaries	60,000	55,000	50,490	4,510
Payroll taxes	3,365	4,569	3,963	606
Office and operating supplies	6,009	5,000	3,647	1,353
Repairs and maintenance	6,300	10,000	21,804	(11,804)
Utilities	27,063	33,500	33,420	80
Insurance	8,000	7,200	6,384	816
Coroner	5,000	12,000	9,254	2,746
Gas, oil, tires, and batteries	2,300	1,000	770	230
Civic center	-	-	3,192	(3,192)
Christmas lighting	5,000	1,700	1,303	397
Miscellaneous	2,500	1,500	11,612	(10,112)
Total health and recreation	<u>125,537</u>	<u>131,469</u>	<u>145,839</u>	<u>(14,370)</u>

(continued)

CITY OF OAKDALE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2021

	2021			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Capital outlay:				
General Government	-	-	6,581	(6,581)
Public works	-	-	<u>35,982</u>	<u>(35,982)</u>
Total capital outlay	<u>-</u>	<u>-</u>	<u>42,563</u>	<u>(42,563)</u>
Debt service:				
Principal	15,923	15,923	20,694	(4,771)
Interest	<u>3,262</u>	<u>3,262</u>	<u>2,453</u>	<u>809</u>
Total debt service	<u>19,185</u>	<u>19,185</u>	<u>23,147</u>	<u>(3,962)</u>
Total expenditures	<u>\$ 2,488,829</u>	<u>\$ 2,505,166</u>	<u>\$ 5,296,013</u>	<u>\$ (2,790,847)</u>

CITY OF OAKDALE, LOUISIANA

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

	First Six Month Period Ended <u>12/31/2020</u>	Second Six Month Period Ended <u>6/30/2021</u>
Receipts from:		
City Court of Oakdale and Ward 5 of Allen Parish, Louisiana -		
Criminal fines	\$ 7,062	\$ 36,928
Witness fees	<u>-</u>	<u>129</u>
 Total	 <u>\$ 7,062</u>	 <u>\$ 37,057</u>
 Ending balance of amounts assessed but not received	 <u>\$ -</u>	 <u>\$ -</u>

CITY OF OAKDALE, LOUISIANA  
Enterprise Fund  
Utility Fund

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

Records maintained by the City indicated the following number of customers were being served during the months of June, 2021 and 2020:

<u>Department</u>	<u>2021</u>	<u>2020</u>
Water (metered)	2,033	1,996
Sewer	2,022	1,996

CITY OF OAKDALE, LOUISIANA  
Enterprise Fund  
Utility Fund

Statement of Operating Expenses by Department  
For the Year Ended June 30, 2021

Water department:	
Salaries	\$ 53,884
Payroll taxes	966
Employee benefits	25,260
Supplies	33,968
Repairs and maintenance	6,113
Truck expense	9,254
Utilities	101,037
Insurance	11,885
Miscellaneous	9,013
Depreciation	<u>107,506</u>
Total water department	<u>358,886</u>
Sewer department:	
Salaries	54,666
Payroll taxes	955
Employee benefits	21,190
Supplies	60,862
Repairs and maintenance	119,922
Truck expense	8,406
Utilities	132,266
Insurance	6,861
Miscellaneous	2,716
Depreciation	<u>304,530</u>
Total sewer department	<u>712,374</u>
Total operating expenses	<u>\$ 1,071,260</u>

CITY OF OAKDALE, LOUISIANA

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

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation:	Statutory
Employer's liability - accident	\$ 100,000
Employer's liability - policy limit	500,000
Employer's liability - employee	100,000
Surety Bonds:	
City clerk	35,000
Other clerks	50,000
General liability:	
City -	
Bodily injury/property damage	500,000
Aggregate	500,000
Police -	
Bodily injury/property damage	500,000
Aggregate	500,000
Public officials' error and omissions	500,000
Automobile	500,000
Fire, extended coverage, blanket policy:	
Buildings	6,300,385
Contents	971,685
Comprehensive liability and collision:	
Fire equipment	1,000,000

**INTERNAL CONTROL, COMPLIANCE**

**AND**

**OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
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Victor R. Slaven, CPA\* - retired 2020  
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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Gene Paul, Mayor  
and Members of the City Council  
City of Oakdale, 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 Oakdale, Louisiana (City), 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 and have issued our report thereon dated March 25, 2022.

### Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, and 2021-003 that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-004, 2021-005, 2021-006, and 2021-007.

## **City of Oakdale, Louisiana's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Oberlin, Louisiana  
March 25, 2022

# KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Gene Paul, Mayor,  
and Members of the City Council  
City of Oakdale, Louisiana

### Report on Compliance for Each Major Federal Program

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

### Management's Responsibility

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

### Auditor's Responsibility

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

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

### Opinion on Each Major Federal Program

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

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

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

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Oberlin, Louisiana  
March 25, 2022

CITY OF OAKDALE, LOUISIANA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program Name	Assistance Listing Number	Expenditures
<u>U.S. Environmental Protection Agency</u>		
Passed-through State of Louisiana Department of Health and Hospitals:		
Drinking Water State Revolving Fund Cluster - Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$ 443,146
Passed-through State of Louisiana Department of Environmental Quality		
Clean Water State Revolving Funds Cluster - Capitalization Grants for Clean Water State Revolving Funds	66.458	<u>1,019,804</u>
TOTAL FEDERAL EXPENDITURES		<u>\$1,462,950</u>

The accompanying notes are an integral part of this schedule.

CITY OF OAKDALE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

(1) Basis of Accounting

The accompanying schedule of expenditures of federal awards (the schedule) presents the activity of all federal financial assistance programs of the City of Oakdale, Louisiana (the City). The City's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City of Oakdale, Louisiana has not elected to use the 10 percent *de minimus* indirect cost rate as allowed under the Uniform Guidance.

(3) Subrecipients

The City provided no federal awards to subrecipients.

CITY OF OAKDALE, LOUISIANA

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021

Part I. Summary of Auditor's Results

*Financial Statements*

1. Type of auditor's opinion issued on financial statements:

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental activities	Unmodified
Business-type activities	Unmodified
Major funds:	
General	Unmodified
Sales Tax Fund	Unmodified
Street Improvement Fund	Unmodified
Utility System Fund	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified?	<u>  x  </u> yes	<u>      </u> no
Significant deficiency(ies) identified?	<u>      </u> yes	<u>  x  </u> no

3. Noncompliance material to the financial statements?

<u>  x  </u> yes	<u>      </u> no
------------------	------------------

*Federal Awards*

4. Internal control over major federal programs:

Material weakness(es) identified?	<u>      </u> yes	<u>  x  </u> no
Significant deficiency(ies) identified?	<u>      </u> yes	<u>  x  </u> no

5. Major programs and type of auditor's report issued:

<u>CFDA Number</u>	<u>Federal Agency and Name of Major Program</u>	<u>Type of Opinion</u>
	<u>U.S. Environmental Protection Agency</u>	
66.458	Capitalization Grants for Clean Water State Revolving Funds	Unmodified

6. Audit findings required to be reported in accordance with 2 CFR §200.516(a)?

<u>      </u> yes	<u>  x  </u> no
-------------------	-----------------

7. Threshold for distinguishing type A and B programs?

\$ 750,000

8. Qualified as a low-risk auditee?

<u>      </u> yes	<u>  x  </u> no
-------------------	-----------------

*Other*

9. Management letter issued?

<u>      </u> yes	<u>  x  </u> no
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CITY OF OAKDALE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2021

Part II. Findings reported in accordance with Government Auditing Standards

A. Internal Control over Financial Reporting –

2021-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

CRITERIA: AU-C§315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that the City does not have a sufficient number of individuals performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recording keeping; and (4) reconciliation.

MANAGEMENT’S CORRECTIVE ACTION PLAN: The City has determined that it is not cost effective to achieve complete segregation of duties within the accounting department.

2021-002 Reconciliation of Bank Accounts

Fiscal year finding initially occurred: Unknown

CONDITION: The City did not prepare all bank reconciliations for all of its bank accounts timely for all months during the fiscal year.

CITY OF OAKDALE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2021

**CRITERIA:** Timely reconciling all bank accounts is a key component of good controls over cash. Reconciling the bank balance with the book balance (general ledger) is necessary to ensure that (1) all receipts, and disbursements are recorded (an essential process in ensuring complete and accurate monthly financial statements); (2) checks are clearing the bank in a reasonable time; (3) reconciling items are appropriate and are being recorded; and (4) the reconciled cash balance agrees to the general ledger cash balance. State law [Louisiana Revised Statute (R.S.) 10:4-406(d) (2)] allows a customer 30 days to examine bank statements and cancelled checks for unauthorized signatures or alterations. After 30 days, the customer is precluded from asserting a claim against the bank for unauthorized signatures or alterations.

**CAUSE:** The cause of the condition is the fact that staff charged with preparing the bank reconciliation did not perform duties as instructed and also unexpectedly died during the fiscal year.

**EFFECT:** Failure to prepare bank reconciliations increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

**RECOMMENDATION:** Management should prepare written bank reconciliations within 30 days of receipt of bank statements by an employee who does not have responsibility/authority to (1) sign checks; or (2) receive and deposit cash; or (3) authorize disbursements. The monthly bank reconciliations should be properly completed, dated, and signed by both the preparer and reviewer/approver and be maintained on file for subsequent review and audit.

**MANAGEMENT'S CORRECTIVE ACTION PLAN:** The City has implemented procedures to ensure that all cash accounts are reconciled on a monthly basis.

2021-003     Theft of Assets

Fiscal year finding initially occurred: 2020

**CONDITION:** During the year it was discovered that beginning on a date prior to June 30, 2020, an employee of the City initiated ACH transactions to transfer funds to her personal bank accounts without authorization. The total of unauthorized transactions is estimated to be \$248,564 and \$203,753 for the years ending June 30, 2020 and 2021, respectively. Additionally, the City had intergovernmental revenues totaling \$236,919 seized through the United States Treasury Offset Program for payroll taxes, penalties, and interest assessed relating to the year 2016 and believed to be a result of unauthorized fraudulent payroll transactions. The employee suspected of the theft is no longer employed with the City due to her death. This matter was investigated by the Louisiana Legislative Auditor's Investigative Audit Division who issued a report dated January 12, 2022, in which potential misappropriations totaling \$897,818 were identified during the period January 1, 2014 to March 17, 2021. This publicly available report can be found at <https://www.la.gov/reports-data/>.

**CRITERIA:** Proper security over devices used to initiate ACH transactions and proper controls over cash disbursements are necessary to safeguard City assets.

**CAUSE:** The City did not have adequate security or adequate controls over the use of ACH transactions for cash disbursements.

CITY OF OAKDALE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2021

EFFECT: Failure to implement proper controls over cash disbursements increases the risk that theft will occur.

RECOMMENDATION: Management should evaluate security controls to ensure they are adequate and functioning properly.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The discovery of potential theft was reported to local law enforcement, the District Attorney, and the Louisiana Legislative Auditor and has been under investigation by the Louisiana Legislative Auditor's Investigative Audit Division. As of report date, no restitution has been made; however, fidelity bond insurance claims were filed, and insurance proceeds were received.

B. Compliance –

2021-004 Noncompliance with Budget Act

Fiscal year finding initially occurred: 2021

CONDITION: The City did not comply with the provisions of LSA-RS 39:1305(E) with respect to the General Fund.

CRITERIA: LSA-RS 39:1305(E) states that when preparing and/or amending budgets, the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year.

CAUSE: Prior staff charged with amending budgets misinterpreted the requirements of the local government budget act.

EFFECT: The original proposed budget and the amended budget adopted for the General Fund proposed expenditures exceeding funds available for the ensuing fiscal year by \$1,020,835 and \$229,392, respectively.

RECOMMENDATION: It is recommended that the City fully comply with the provisions of LSA-RS 39:1305(E) by adopting budgets in which the proposed expenditures do not exceed the total of estimated funds available for the ensuing year.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City will adhere to the provisions of LSA-RS 39:1305(E) by adopting budgets in which the proposed expenditures do not exceed the total of estimated funds available for the ensuing year.

CITY OF OAKDALE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2021

2021-005 Noncompliance with Budget Act

Fiscal year finding initially occurred: 2021

CONDITION: The City did not comply with the provisions of LSA-RS 39:1311(A)(1)&(2) with respect to the General Fund. Total expenditures exceeded budgeted expenditures in the General Fund by 111% or \$2,790,847.

CRITERIA: LSA-RS 39:1311(A)(1)&(2) states that when total actual revenues and other sources or expenditures and other uses plus projected revenues and other sources or expenditures and other uses for the remainder of the year are failing to meet or exceeding the total budgeted amounts by five percent or more, the budget must be amended.

CAUSE: The City failed to properly monitor expenditures of the General Fund by not amending the General Fund budget to reflect amounts incurred for hurricane damage.

EFFECT: The City may not prevent and/or detect compliance violations due to revenue shortfalls or over expenditures of the appropriated budget, and/or errors or irregularities on a timely basis.

RECOMMENDATION: The City should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to ensure compliance with state statutes.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City will implement policies to ensure that actual activity is periodically compared to budgeted amounts and budgetary amendments are adopted as necessary.

2021-006 Noncompliance with Budget Act

Fiscal year finding initially occurred: Unknown

CONDITION: The City did not prepare a budget in the format prescribed by LSA-RS 39:1305.

CRITERIA: LSA-RS 39:1305 requires each political subdivision to prepare a comprehensive budget presenting a complete financial plan for each fiscal year for the general fund and each special revenue fund showing the estimated fund balances at the beginning of the year; estimates of all receipts and revenues to be received; revenues itemized by source; recommended detailed comparison of such information for the current year, including the fund balances at the beginning of the year, year-to-date actual receipts and revenues received and estimates of all receipts and revenues to be received the remainder of the year; estimated and actual revenues itemized by source; year-to-date actual and estimates for the remainder of the year; the year-to-date actual and estimated fund balances as of the end of the fiscal year; and the percentage change for each item of information.

CAUSE: The City did not prepare the budget in the prescribed format by omitting the year-to-date actual and estimated fund balances as of the end of the fiscal year.

CITY OF OAKDALE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2021

EFFECT: Failure to prepare the budget in the prescribed format by omitting the year-to-date actual and estimated fund balances as of the end of the fiscal year increases the risk that the City will be in violation of state law.

RECOMMENDATION: The City should implement control procedures to ensure that the annual operating budget be prepared in accordance with the provisions of LSA-RS 39:1305.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City will implement control procedures to ensure that the annual operating budget is prepared in accordance with the provisions of LSA-RS 39:1305.

2021-007 Delinquent Filing of Sales Tax Reports

Fiscal year finding initially occurred: 2021

CONDITION: The City was delinquent in filing and remitting sales taxes for three months of the fiscal year ending June 30, 2021 and was assessed penalties and interest totaling \$100 for these delinquent filings.

CRITERIA: LSA-RS 47:301 provides for the collection of sales taxes from customers and requires tax returns be filed with the Louisiana Department of Revenue.

CAUSE: The individual responsible for filing sales tax returns died in a prior year and these duties were not immediately reassigned due to an oversight.

EFFECT: The City failed to file and remit sales taxes timely.

RECOMMENDATION: The City should develop policies and procedures and monitor its reporting requirements to ensure proper laws are being followed.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City will implement control procedures to ensure that sales tax returns are filed within the time prescribed.

Part III. Findings and questioned costs for Federal Awards defined in the Uniform Guidance

No findings reported under this section.

**CORRECTIVE ACTION PLAN  
FOR CURRENT AUDIT FINDINGS**

**APPENDIX A**



# City of Oakdale

Mayor Gene Paul

P.O. Box 728

333 E. 6th Avenue

Oakdale, Louisiana 71463

Phone: 318-335-3629 • Fax: 318-335-3638



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## CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS

March 25, 2022

U.S. Environmental Protection Agency

City of Oakdale, Louisiana respectfully submits the following corrective action plan for the year ended June 30, 2021.

Name and address of independent public accounting firm:

Kolder, Slaven, & Company, LLC

332 W. Sixth Avenue

Oberlin, LA 70655

Audit period: June 30, 2021

The findings from the June 30, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### FINDINGS – FINANCIAL STATEMENT AUDIT

#### INTERNAL CONTROL:

##### 2021-001 – Inadequate Segregation of Accounting Functions

*Recommendation:* Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recording keeping, and (4) reconciliation.

*Action Taken:* The City has determined that it is not cost effective to achieve complete segregation of duties within the accounting department.

##### 2021-002 – Reconciliation of Bank Accounts

*Recommendation:* Management should prepare written bank reconciliations within 30 days of receipt of bank statements by an employee who does not have responsibility/authority to (1) sign checks; or (2) receive and deposit cash; or (3) authorize disbursements. The monthly bank reconciliations should be properly completed, dated, and signed by both the preparer and reviewer/approver and be maintained on file for subsequent review and audit.

---

George Ashy, II  
Councilman-at-Large

Cassandra H. Allison  
Councilwoman Dist. 1

Fredrick "Pos" Douglas  
Councilman Dist. 2

Ervin Willis  
Councilman Dist. 3

Jeremy Smith  
Councilman Dist. 4

Geri Melder  
City Clerk

Kenneth Ray Rush  
City Attorney

AP District Attorney's Office  
City Prosecutor

*Action Taken:* The City has implemented procedures to ensure that all cash accounts are reconciled on a monthly basis.

#### 2021-003 – Theft of Assets

*Recommendation:* Management should evaluate security controls to ensure they are adequate and functioning properly.

*Action Taken:* The discovery of potential theft was reported to local law enforcement, the District Attorney, and the Louisiana Legislative Auditor and has been under investigation by the Louisiana Auditor's Investigative Audit Division. As of report date, no restitution has been made; however, fidelity bond insurance claims were filed, and insurance proceeds were received.

### COMPLIANCE

#### 2021-004 – Noncompliance with Budget Act

*Recommendation:* It is recommended that the City fully comply with the provisions of LSA-RS 39:1305(E) by adopting budgets in which the proposed expenditures do not exceed the total of estimated funds available for the ensuing year.

*Action Taken:* The City will adhere to the provision of LS-RS 39:1305(E) by adopting budgets in which the proposed expenditures do not exceed the total of estimated funds available for the ensuing year.

#### 2021-005 – Noncompliance with Budget Act

*Recommendation:* The City should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to ensure compliance with state statutes.

*Action Taken:* The City will implement policies to ensure that actual activity is periodically compared to budgeted amounts and budgetary amendments are adopted as necessary.

#### 2021-006 – Noncompliance with Budget Act

*Recommendation:* The City should implement control procedures to ensure that the annual operating budget be prepared in accordance with the provisions of LSA-RS 39:1305.

*Action Taken:* The City will implement control procedures to ensure that the annual operating budget is prepared in accordance with the provisions of LSA-RS 39:1305.

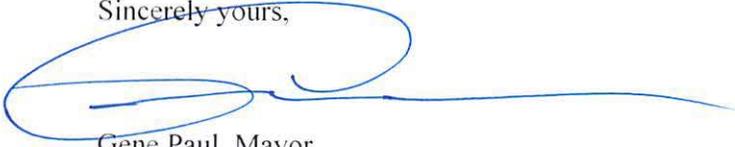
#### 2021-007 – Delinquent Filing of Sales Tax Reports

*Recommendation:* The City should develop policies and procedures and monitor its reporting requirements to ensure proper laws are being followed.

*Action Taken:* The City will implement control procedures to ensure that sales tax returns are filed within the time prescribed.

If the U.S. Environmental Protection Agency has questions regarding this plan, please call Patti J. Larney, City Administrator, at 337-239-2444.

Sincerely yours,

A handwritten signature in blue ink, consisting of a large, stylized loop followed by a horizontal line that tapers to the right.

Gene Paul, Mayor  
City of Oakdale, Louisiana

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**APPENDIX B**



# City of Oakdale

Mayor Gene Paul

P.O. Box 728

333 E. 6th Avenue

Oakdale, Louisiana 71463

Phone: 318-335-3629 • Fax: 318-335-3638



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Part I. Findings reported in accordance with *Governmental Auditing Standards*:

#### Internal Control –

#### 2020-11/C Misappropriation of Funds

CONDITION: The City suffered significant loss of resources

RECOMMENDATION: Procedures should be implemented to ensure no loss of resources by misappropriation.

CURRENT STATUS: Unresolved. See item 2021-003.

#### 2020-31/C Inadequate Inappropriate Control Procedure for Time and Attendance Records in the Police Department

CONDITION: During the fiscal year, no time and attendance records were kept detailing the arrival and departure times of police employees for payroll purposes.

RECOMMENDATION: Police management should at the very least require employees to record work arrival and departure times for payroll purposes. This would allow supervisors to appropriately calculate and monitor payroll records so that employees are paid only for hours worked.

CURRENT STATUS: Resolved.

#### 2020-41/C Incomplete Accounting and Inaccurate/Untimely Prepared Bank Reconciliations

CONDITION: Incomplete accounting and inaccurate/untimely prepared bank reconciliations.

RECOMMENDATION: The City should timely and accurately complete its monthly accounting and related bank reconciliations during the month following the month being reconciled.

CURRENT STATUS: Unresolved. See item 2021-002.

George Ashy, II  
Councilman-at-Large

Cassandra H. Allison  
Councilwoman Dist. 1

Fredrick "Pos" Douglas  
Councilman Dist. 2

Ervin Willis  
Councilman Dist. 3

Jeremy Smith  
Councilman Dist. 4

Geri Melder  
City Clerk

Kenneth Ray Rush  
City Attorney

AP District Attorney's Office  
City Prosecutor

Compliance Findings –

2020-2C Local Government Budget Act Compliance

CONDITION: The general fund's budgeted revenues exceed actual revenues by 5% or more. The general fund's actual expenditures exceeded budgeted expenditures by 5% or more.

RECOMMENDATION: Closely monitor departmental budgets and annualize interim expenditures in calculating original and amended budgets.

CURRENT STATUS: Unresolved. See 2021-005

2020-5C Article 7, Section 14 of the 1974 Louisiana Constitution

CONDITION: The City rewarded its employees with additional one-time supplemental payroll payments grossing \$44,350 that may have been a violation of Article 7, Section 14 of the 1974 Louisiana Constitution, which prohibits the donation, loan, or pledging of any public funds.

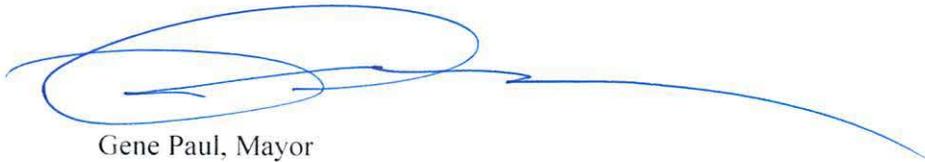
RECOMMENDATION: Obtain an Attorney General Opinion as to whether this type of payment is allowable and use his/her direction to prevent any future potential violations.

CURRENT STATUS: Resolved.

Part III. Findings and questioned costs for Federal Awards defined in the Uniform Guidance:

There were no findings to be reported under this section.

Sincerely yours,



Gene Paul, Mayor  
City of Oakdale, Louisiana