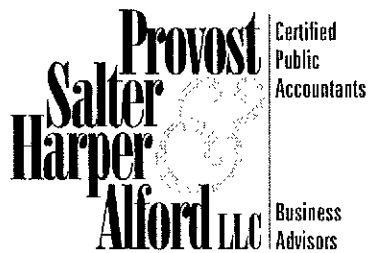


**CITY OF PORT ALLEN,
LOUISIANA**

FINANCIAL REPORT

June 30, 2021



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CITY OF PORT ALLEN, LOUISIANA

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CITY OF PORT ALLEN, LOUISIANA

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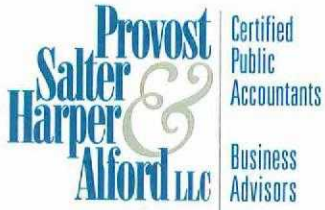
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Port Allen, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit and each major fund, of the City of Port Allen, 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 Port Allen, Louisiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City of Port Allen, Louisiana's 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, the aggregate discretely presented component unit, and each major fund, of the City of Port Allen, 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 management's discussion and analysis on pages 4-15 and budgetary comparison information, the schedule of changes in net OPEB liability and related ratios, the schedule of employer's proportionate share of the net pension liability, and the schedule of employer's pension contributions 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Port Allen, Louisiana's basic financial statements. The schedule of compensation paid to city council, schedule of compensation paid to mayor, and the justice system funding schedule – receiving entity on Schedules 6-8 are presented to comply with the requirements issued by the State of Louisiana, and are not a required part of the basic financial statements.

The schedule of compensation paid to city council, schedule of compensation paid to mayor, and the justice system funding schedule – receiving entity are the responsibility of

management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation paid to city council, schedule of compensation paid to mayor, and the justice system funding schedule – receiving entity is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedules of Insurance in Force and Statistical Data (Schedules 9 and 10) 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 also issued our report dated December 8, 2021 on our consideration of the City of Port Allen Louisiana’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Port Allen Louisiana’s internal control over financial reporting and compliance.

PROVOST, SALTER, HARPER & ALFORD, LLC



Baton Rouge, Louisiana
December 8, 2021

City of Port Allen, Louisiana
Management's Discussion and Analysis

June 30, 2021

We offer readers of the City of Port Allen's financial statements this narrative overview and analysis of the financial activities of the City of Port Allen for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements, which follow this section.

Financial Highlights

Key financial highlights for the 2021 fiscal year include the following:

- The assets of the City of Port Allen exceeded its liabilities at the close of the most recent fiscal year by \$10,122,660 (net position). Of this amount, \$10,046,731 is either restricted or invested in assets that cannot be readily liquidated, the City has a unrestricted net position of \$75,929.
- The total net position of the City of Port Allen increased by \$695,997 for the year ended June 30, 2021, current operations. Net position of governmental activities increased by \$483,676 and net position of business-type activities increased by \$212,321.
- As of the close of the current fiscal year, the City of Port Allen's governmental funds reported combined ending fund balance of \$8,669,409, an increase of \$223,432 in comparison with the prior fiscal year. The majority of this fund balance is comprised of approximately \$8.0 million for the General Fund and \$.3 million for the Municipal Complex Debt Service Fund.
- At the end of the current fiscal year, the unreserved and unassigned fund balance for the General Fund was \$5,747,122 or 110.9% of total General Fund expenditures.
- During the fiscal year, the City's long-term debt decreased by \$596,416 due to (1) repayment of \$94,000 to the Department of Environmental Quality Revolving Loan Fund, (2) repayment of \$165,000 on bonds issued for the new city hall, (3) an overall increase of \$18,085 in the estimated long term compensated absences (4) an overall increase of \$50,984 in the estimated liability for post-employment benefit obligations and (5) an overall decrease of \$406,485 of net pension liabilities.

City of Port Allen, Louisiana

Management's Discussion and Analysis

June 30, 2021

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the City of Port Allen's basic financial statements. The City of Port Allen's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Port Allen's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City of Port Allen's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Port Allen is improving or deteriorating.

The Statement of Activities presents information showing how the City of Port Allen's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The Statement of Net Position and the Statement of Activities distinguish functions of the City of Port Allen that are principally supported by taxes, intergovernmental revenues, and charges for services (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City of Port Allen's governmental activities include general government, public safety, roads and drainage, sanitation, culture, welfare and City Court. The business-type activities of the City of Port Allen include water, gas and sewerage.

City of Port Allen, Louisiana

Management's Discussion and Analysis

June 30, 2021

Not only do the government-wide financial statements include the City of Port Allen itself, which is the primary government, but also its component unit, The City Court of Port Allen. Although the component unit is legally separate, its operational or financial relationship with the City of Port Allen makes the City of Port Allen financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Port Allen, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Port Allen can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

City of Port Allen, Louisiana
Management's Discussion and Analysis

June 30, 2021

The City of Port Allen maintains three individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.

The City of Port Allen adopts an annual appropriated budget for its governmental funds. Budgetary comparison schedules have been provided for certain of these funds to demonstrate compliance with these budgets.

Proprietary funds. There are two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the water, gas, and sewerage activities of the City, which are presented as business-type activities in the government-wide financial statements. The City of Port Allen uses two enterprise funds – one to account for its water and gas services, and one to account for its sewer services. The City of Port Allen has no internal service funds.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the water and gas and sewerage operations, which are considered to be major funds of City of Port Allen.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Port Allen's compliance with budgets for its major funds.

City of Port Allen, Louisiana

Management's Discussion and Analysis

June 30, 2021

Financial Analysis of Government-wide Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Port Allen assets exceed liabilities by \$10,122,660 at the close of the most recent fiscal year.

A large portion of the City of Port Allen's net position (62.37 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Port Allen uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Port Allen's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	City of Port Allen's Net Position					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 8,615,094	\$ 8,592,192	\$ 2,077,194	\$ 1,735,714	\$ 10,692,288	\$ 10,327,906
Restricted assets	376,364	356,135	423,820	420,450	800,184	776,585
Capital assets	4,043,372	3,965,297	7,590,395	7,847,547	11,633,767	11,812,844
Total assets	13,034,830	12,913,624	10,091,409	10,003,711	23,126,239	22,917,335
Deferred outflows	1,457,299	1,597,606	572,338	667,124	2,029,637	2,264,730
Current and other liabilities	492,049	667,350	493,658	396,392	985,707	1,063,742
Long-term liabilities	7,233,809	7,693,266	3,199,117	3,342,076	10,432,926	11,035,342
Total liabilities	7,725,858	8,360,616	3,692,775	3,738,468	11,418,633	12,099,084
Deferred inflows	823,503	691,522	2,791,080	2,964,796	3,614,583	3,656,318
Net position:						
Invested in capital assets, net of related debt	2,288,372	2,045,297	4,024,692	4,056,169	6,313,064	6,101,466
Restricted	2,833,667	2,854,922	900,000	900,000	3,733,667	3,754,922
Unrestricted	820,729	558,873	(744,800)	(988,598)	75,929	(429,725)
Total net position	\$ 5,942,768	\$ 5,459,092	\$ 4,179,892	\$ 3,967,571	\$ 10,122,660	\$ 9,426,663

At the end of the current fiscal year, the City of Port Allen is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The balance of unrestricted net position, \$75,929, may be used to meet the government's ongoing obligation to citizens and creditors. However, the City has more than the total of its net position either restricted or tied up in fixed assets, thus creating a deficit unrestricted net position in the business activity funds.

City of Port Allen, Louisiana
Management's Discussion and Analysis

June 30, 2021

The City of Port Allen's net position increased by \$695,997 during the current fiscal year. The following is a summary of the City of Port Allen's changes in net position.

City of Port Allen's Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program revenues:						
Charges for services	\$ 571,217	\$ 566,018	\$ 3,124,122	\$ 2,827,995	\$ 3,695,339	\$ 3,394,013
Grants and contributions	717,634	698,724	-	-	717,634	698,724
General revenues:						
Property taxes	567,087	608,523	-	-	567,087	608,523
Franchise taxes	330,829	317,192	-	-	330,829	317,192
Business licenses	314,962	363,844	-	-	314,962	363,844
Intergovernmental revenues	3,731,154	3,377,676	-	-	3,731,154	3,377,676
Investment earnings	52,105	134,153	1,521	12,505	53,626	146,658
Other	110,969	135,957	45,727	50,084	156,696	186,041
Total revenues	6,395,957	6,202,087	3,171,370	2,890,584	9,567,327	9,092,671
Expenses						
General Government	1,054,315	1,148,169	-	-	1,054,315	1,148,169
Public Safety	1,756,009	1,910,165	-	-	1,756,009	1,910,165
Roads and Drainage	1,425,044	1,495,298	-	-	1,425,044	1,495,298
Depot Welcoming Center	5,734	12,859	-	-	5,734	12,859
Sanitation	567,754	566,312	-	-	567,754	566,312
Animal Control	87,516	61,732	-	-	87,516	61,732
Welfare	663,721	591,719	-	-	663,721	591,719
Community Development	129,728	166,258	-	-	129,728	166,258
Fleet Maintenance	152,510	153,659	-	-	152,510	153,659
Debt Service	69,950	75,725	-	-	69,950	75,725
Water, Sewage and Gas	-	-	2,959,049	2,830,686	2,959,049	2,830,686
Total expenses	5,912,281	6,181,896	2,959,049	2,830,686	8,871,330	9,012,582
Increase (decrease) before transfer	483,676	20,191	212,321	59,898	695,997	80,089
Transfers in (out)	-	-	-	-	-	-
Net increase (decrease)	483,676	20,191	212,321	59,898	695,997	80,089
Net position-beginning	5,459,092	5,438,901	3,967,571	3,907,673	9,426,663	9,346,574
Net position at end of year	\$ 5,942,768	\$ 5,459,092	\$ 4,179,892	\$ 3,967,571	\$ 10,122,660	\$ 9,426,663

City of Port Allen, Louisiana
Management's Discussion and Analysis

June 30, 2021

Governmental Activities

Revenues for the City of Port Allen's governmental activities for the year ended June 30, 2021 were \$6,395,957 compared to \$6,202,087 in the year ended June 30, 2020.

	2021	%	2020	%	Var
Charges for services	\$ 571,217	9%	\$ 566,018	9%	\$ 5,199
Grants and contributions	717,634	11%	698,724	11%	18,910
Property taxes	567,087	9%	608,523	10%	(41,436)
Franchise taxes	330,829	5%	317,192	5%	13,637
Business licenses	314,962	5%	363,844	6%	(48,882)
Investment earnings	52,105	1%	134,153	2%	(82,048)
Intergovernmental:					
Sales taxes	3,580,903	56%	3,199,580	52%	381,323
Other	150,251	2%	178,096	3%	(27,845)
Other	110,969	2%	135,957	2%	(24,988)
Total governmental activities revenues	<u>\$ 6,395,957</u>	<u>100%</u>	<u>\$ 6,202,087</u>	<u>100%</u>	<u>\$ 193,870</u>

Business-type activities

The business-type activities of the City are those for which the City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's Water & Gas and Sewer funds are addressed here.

- Charges for services for the City's business-type activities were \$3,124,122 an increase of \$296,127, mainly as a result of increased gas sales and sewer service charges.
- The City's business-type activities resulted in a total operating income of \$220,476.
- The water fund operating revenue increased by \$165,740 as a result of increased price of gas sales, while sewer operating revenue increased by \$130,388 as a result of an increase in wastewater impact fees.

City of Port Allen, Louisiana

Management's Discussion and Analysis

June 30, 2021

Total Governmental Activities Expenditures

The cost of all governmental activities this year was \$5,912,281, a decrease of \$269,615. Key components of the decrease are summarized below:

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>	<u>Variance</u>
General government	\$ 1,054,315	17%	\$ 1,148,169	19%	\$ (93,854)
Public safety	1,756,009	28%	1,910,165	31%	(154,156)
Fleet Maintenance	152,510	2%	153,659	2%	(1,149)
Roads and drainage	1,425,044	23%	1,495,298	24%	(70,254)
Community Development	129,728	2%	166,258	3%	(36,530)
Sanitation	567,754	9%	566,312	9%	1,442
Debt Service	69,950	1%	75,725	1%	(5,775)
Welfare	663,721	11%	591,719	10%	72,002
Other	93,250	2%	74,591	1%	18,659
Total governmental activities expenditures	<u>\$ 5,912,281</u>	<u>100%</u>	<u>\$ 6,181,896</u>	<u>100%</u>	<u>\$ (269,615)</u>

Financial Analysis of the City of Port Allen's Funds

Governmental Funds

As noted earlier, the City of Port Allen uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City of Port Allen's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Port Allen's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

- As of the close of the current fiscal year, the City of Port Allen's governmental funds reported a combined ending fund balance of \$8,669,409, an increase of \$223,432 in comparison with the prior fiscal year. Of this amount, \$5,747,122 or 66.29% was unassigned and available for spending. \$2,922,287 or 33.71% was non-spendable, restricted, or committed to indicate that it is not available for new spending.

City of Port Allen, Louisiana

Management's Discussion and Analysis

June 30, 2021

- The General Fund is the chief operating fund of the City of Port Allen. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,747,122. That amount is unassigned and is available for spending at the City Council's discretion. The total fund balance of the City of Port Allen's General Fund increased by \$243,981.
- The Low-Income Housing Assistance Fund accounts for all receipts and expenditures of funds received from the U.S. Department of Housing and Urban Development for rental assistance to low-income citizens who qualify. At the end of the current fiscal year, the fund balance of this fund was \$36,761 all of which is restricted for housing assistance.
- The Municipal Complex Debt Service Fund is operational through proceeds from debt and transfers from the Capital Improvements Fund of the City. At the end of the current fiscal year, the fund balance of this fund was \$293,083, all of which is restricted for debt service.

Proprietary Funds

The Water & Gas Fund and the Sewer Fund net position increased by \$212,321 for the current year. The prior year's increase was \$59,898.

General Fund Budgetary Highlights

The budget policy of the City of Port Allen complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.).

The original budget for the General Fund of the City of Port Allen was adopted on June 10, 2020. Differences between the budget and the actual results of the General Fund are as follows:

Revenues

- General Fund revenues were \$383,815 (7.3%) higher than revised budget estimate and \$883,815 (18.5%) higher than the original budget estimates. Sales tax revenue was the largest contributors to those favorable budget variances.

Expenditures

- Total expenditures were \$470,146 (8.4%) lower than the revised budget estimate and \$368,131 (6.7%) lower than the original budget estimate, primarily due to lower expenditures for public safety and roads and drainage than was expected.

City of Port Allen, Louisiana
Management's Discussion and Analysis

June 30, 2021

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of June 30, 2021 amounts to \$11,633,767 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and structures, furniture and fixtures, equipment and vehicles, the sewer system and wastewater treatment plant, and the water and gas systems. Due to its size, the City of Port Allen is not required to report infrastructure assets acquired before June 30, 2001. However, the City will continue to report new infrastructure assets in the year acquired.

Additional information on the City's capital assets can be found in Note 6 of this financial report.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land and Land improvements	\$ 686,051	\$ 686,051	\$ 22,237	\$ 22,237	\$ 708,288	\$ 708,288
Buildings and structures	3,103,287	2,857,237	99,080	108,098	3,202,367	2,965,335
Furniture and Fixtures	49,493	61,422	4,360	2,060	53,853	63,482
Equipment and vehicles	204,541	218,953	37,985	55,702	242,526	274,655
Wastewater treatment plant	-	-	1,363,017	1,421,745	1,363,017	1,421,745
Water System	-	-	1,158,522	1,204,896	1,158,522	1,204,896
Gas System	-	-	2,831,218	2,932,392	2,831,218	2,932,392
Sewer System	-	-	2,073,976	1,583,847	2,073,976	1,583,847
Construction in progress	-	141,634	-	516,570	-	658,204
Total	\$ 4,043,372	\$ 3,965,297	\$ 7,590,395	\$ 7,847,547	\$ 11,633,767	\$ 11,812,844

Major capital asset events during the fiscal year included the following:

- The purchase of 1 new police vehicles for \$32,914.
- The purchase of 1 new vehicle for fleet maintenance department for \$26,299.
- Park equipment for \$162,007.
- Construction of restroom at Cohn Park for \$61,380.
- Christmas lights display piece for \$12,000.
- Sewer system improvements for \$37,527.
- Software purchased for \$23,419.

City of Port Allen, Louisiana
Management's Discussion and Analysis

June 30, 2021

Long Term Debt

At the end of the current fiscal year, the City of Port Allen had total debt outstanding of \$10,697,926. Of this amount, \$1,755,000 comprises debt backed by the full faith and credit of the government, \$995,000 represents debt secured by specified revenue sources, \$429,571 represents the City's estimated liability for compensated absences, \$1,288,032 represents the City's estimated liability for other postemployment benefits and \$6,230,323 is the City's net pension liability. The following table summarizes debt outstanding at June 30, 2021.

	Long Term Debt					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue Bonds Payable	\$ 1,755,000	\$ 1,920,000	\$ 995,000	\$ 1,089,000	\$ 2,750,000	\$ 3,009,000
Compensated Absences	262,553	259,698	167,018	151,788	429,571	411,486
Other Post Employment Benefit Obligations	913,418	861,947	374,614	375,101	1,288,032	1,237,048
Net Pension Liability	4,472,838	4,816,621	1,757,485	1,820,187	6,230,323	6,636,808
Total Long Term Debt	\$ 7,403,809	\$ 7,858,266	\$ 3,294,117	\$ 3,436,076	\$ 10,697,926	\$ 11,294,342

During the fiscal year, the City's long-term debt decreased by \$596,416 due to (1) repayment of \$94,000 to the Department of Environmental Quality Revolving Loan Fund, (2) repayment of \$165,000 on bonds issued for the new city hall, (3) an overall increase of \$18,085 in the estimated long term compensated absences (4) an overall increase of \$50,984 in the estimated liability for post-employment benefit obligations and (5) an overall decrease of \$406,485 of net pension liabilities.

For additional information regarding capital assets and long-term debt, see the notes to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for fiscal year 2020-2021 was presented to the City Council:

Because of the expected and unknown impacts of the COVID-19 pandemic during FY2020-2021, the administration adjusted expected revenues downward by 10%. Fortunately, the impact on the overall General Fund Budget for FY20-21 was not realized. In fact, the actual revenues in the General Fund

City of Port Allen, Louisiana

Management's Discussion and Analysis

June 30, 2021

exceeded budget projections by nearly 13%, the Water and Gas Fund was on budget, and the Sewer Fund was over budget by nearly 20%--mostly because of increased fees. Proposed capital expenditures are back to levels used for several years prior to the COVID-19 pandemic. For the year ending June 30, 2022, the City of Port Allen is projecting a deficit in its General Fund after making required bond principal and interest payments on the Municipal Complex bond obligations as projected expenses continue to outpace expected revenues in this fund. A significant portion of the capital outlay expenditures is from the City's continuation of the road rehabilitation program which accounts for \$375,000 and \$60,000 for drainage improvements each year. The projected deficit in the Water and Gas Fund is manageable and the fund does not carry any debt. The costs of MERS and MPERS have remained steady, but healthcare costs soared for this fiscal year. The adjustments the City Council made in utility rates are reflected in the current year's projections of revenues. Capital expenditures in the Sewer Fund continue to deplete the fund's retained earnings. The City of Port Allen is set to receive a significant influx of money from the American Rescuc Plan Act. The administration's plans to spend this money will be adjusted during the fiscal year once the amount of funding is both known and received. However, most of the money will likely be used to continue the significant rehabilitation of the aging sewer system in the City of Port Allen.

Requests for Information

This financial report is designed to provide a general overview of the City of Port Allen's finances for all those with an interest in the City of Port Allen's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chief Financial Officer of the City of Port Allen, 375 Court Street, Port Allen, LA, 70767, or by calling (225) 346-5670.

CITY OF PORT ALLEN, LOUISIANA

Statement of Net Position

June 30, 2021

	Primary Government			Component unit
	Government activities	Business-type activities	Total	
Assets				
Cash and cash equivalents	\$ 6,182,747	\$ 1,926,742	\$ 8,109,489	\$ 480,295
Investments	1,700,000	20,000	1,720,000	44,439
Receivables, net	252,095	308,975	561,070	-
Internal balances	178,546	(178,546)	-	15,718
Due from other governments	300,883	-	300,883	-
Prepaid items and other assets	823	23	846	2,674
Restricted assets:				
Cash and cash equivalents	376,364	423,820	800,184	-
Capital assets:				
Land	686,051	22,237	708,288	-
Other capital assets, net of depreciation	3,357,321	7,568,158	10,925,479	7,769
Total assets	13,034,830	10,091,409	23,126,239	550,895
Deferred Outflow of Resources	1,457,299	572,338	2,029,637	29,860
Total assets and deferred outflows of resources	14,492,129	10,663,747	25,155,876	580,755
Liabilities				
Current liabilities:				
Accounts payable	148,324	196,510	344,834	-
Deposits and deferred charges	-	199,785	199,785	-
Accrued interest payable	34,975	2,363	37,338	32,338
Accrued wages and other	138,750	-	138,750	200
Bonds payable, due within one year	170,000	95,000	265,000	-
Noncurrent liabilities:				
Compensated absences	262,553	167,018	429,571	-
OPEB obligations	913,418	374,614	1,288,032	-
Bonds payable, due in more than one year	1,585,000	900,000	2,485,000	-
Net pension liability	4,472,838	1,757,485	6,230,323	163,759
Total liabilities	7,725,858	3,692,775	11,418,633	196,297
Deferred Inflow of Resources	823,503	2,791,080	3,614,583	31,160
Total liabilities and deferred inflows of resources	8,549,361	6,483,855	15,033,216	227,457
Net Position				
Invested in capital assets, net of related debt	2,288,372	4,024,692	6,313,064	7,769
Restricted for:				
Prepaid expenses	823	-	823	-
Public safety	3,000	-	3,000	-
Welfare	36,761	-	36,761	-
Debt service	293,083	-	293,083	-
Ordinance No. 1 of 2006	2,500,000	900,000	3,400,000	-
Unrestricted	820,729	(744,800)	75,929	345,529
Total net position	\$ 5,942,768	\$ 4,179,892	\$ 10,122,660	\$ 353,298

CITY OF PORT ALLEN, LOUISIANA

Statement of Activities

Year Ended June 30, 2021

Functions/programs	Expenses	Program Revenues		Net (expenses) revenue and change in net position			Component units
		Charges for services	Operating grants and contributions	Governmental activities	Primary Government Business-type activities	Total	
Primary government:							
Governmental activities:							
General government	\$ 1,054,316	\$ -	\$ -	\$ (1,054,316)	\$ -	\$ (1,054,316)	\$ -
Public safety	1,756,008	7,994	-	(1,748,014)	-	(1,748,014)	-
Roads and drainage	1,425,044	-	74,866	(1,350,178)	-	(1,350,178)	-
Depot welcoming center	5,734	-	-	(5,734)	-	(5,734)	-
Sanitation	567,754	563,223	-	(4,531)	-	(4,531)	-
Animal control	87,516	-	-	(87,516)	-	(87,516)	-
Welfare	663,721	-	642,768	(20,953)	-	(20,953)	-
Community development	129,728	-	-	(129,728)	-	(129,728)	-
Fleet maintenance	152,510	-	-	(152,510)	-	(152,510)	-
Debt service	69,950	-	-	(69,950)	-	(69,950)	-
Total governmental activities	5,912,281	571,217	717,634	(4,623,430)	-	(4,623,430)	-
Business-type activities:							
Water and Gas	2,073,152	2,096,889	-	-	23,737	23,737	-
Sewer	885,897	1,027,233	-	-	141,336	141,336	-
Total business-type activities	2,959,049	3,124,122	-	-	165,073	165,073	-
Total primary government	\$ 8,871,330	\$ 3,695,339	\$ 717,634	(4,623,430)	165,073	(4,458,357)	-
Component units:							
City Court	\$ 505,030	\$ 375,814	\$ -	-	-	-	(129,216)
General revenues:							
Property taxes				567,087	-	567,087	-
Franchise taxes				330,829	-	330,829	-
Business licenses				314,962	-	314,962	-
Intergovernmental revenue							
Sales and use taxes				3,580,903	-	3,580,903	-
Other taxes				22,272	-	22,272	-
Other income				127,979	-	127,979	-
Non-employer contributions to pension plan				90,244	25,295	115,539	-
Investment earnings				52,105	1,521	53,626	3,008
Miscellaneous				20,725	20,432	41,157	-
Total general revenues and transfers				5,107,106	47,248	5,154,354	(126,208)
Change in net position				483,676	212,321	695,997	(126,208)
Net position - beginning				5,459,092	3,967,571	9,426,663	479,506
Net position - ending				\$ 5,942,768	\$ 4,179,892	\$ 10,122,660	\$ 353,298

CITY OF PORT ALLEN, LOUISIANA

Balance Sheet, Governmental Funds

June 30, 2021

	General	Low Income Housing	Municipal Complex Debt Service Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 6,130,976	\$ 51,771	\$ -	\$ 6,182,747
Investments	1,700,000	-	-	1,700,000
Receivables, net	252,095	-	-	252,095
Due from other funds	180,840	580	-	181,420
Due from other governments	300,883	-	-	300,883
Prepaid items and other assets	823	-	-	823
Restricted cash and cash equivalents	48,307	-	328,058	376,365
Total assets	\$ 8,613,924	\$ 52,351	\$ 328,058	\$ 8,994,333
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ 132,734	\$ 15,590	\$ -	\$ 148,324
Other current liabilities	138,750	-	-	138,750
Due to other funds	2,875	-	-	2,875
Accrued interest payable	-	-	34,975	34,975
Total liabilities	274,359	15,590	34,975	324,924
Fund balance:				
Nonspendable:				
Prepaid items	823	-	-	823
Restricted:				
Public safety	3,000	-	-	3,000
Welfare	-	36,761	-	36,761
Debt service	-	-	293,083	293,083
Committed:				
Ordinance No. 1 of 2006	2,500,000	-	-	2,500,000
Assigned				
Purchase commitments	88,620	-	-	88,620
Unassigned	5,747,122	-	-	5,747,122
Total fund balance	8,339,565	36,761	293,083	8,669,409
Total liabilities, deferred inflow of resources and fund balance	\$ 8,613,924	\$ 52,351	\$ 328,058	\$ 8,994,333

CITY OF PORT ALLEN, LOUISIANA

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

Fund balances - total governmental funds		\$ 8,669,409
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$ 7,770,657	
Less accumulated depreciation	<u>(3,727,285)</u>	
		4,043,372
Deferred outflows and inflows of resources not recognized in the fund balance of Governmental Fund Statement.		
Pension related changes reported as deferred outflows	\$ 1,111,352	
Pension related changes reported as deferred inflows	(418,468)	
OPEB related changes reported as deferred outflows	345,947	
OPEB related changes reported as deferred inflows	<u>(405,035)</u>	
		633,796
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable	\$ (1,755,000)	
OPEB obligations	(913,418)	
Compensated absences	(262,553)	
Net pension liability	<u>(4,472,838)</u>	
		(7,403,809)
Net position of governmental activities		<u>\$ 5,942,768</u>

CITY OF PORT ALLEN, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds

Year Ended June 30, 2021

	General	Low Income Housing	Municipal Complex Debt Service Fund	Total Governmental Funds
Revenues				
Taxes	\$ 897,916	\$ -	\$ -	\$ 897,916
Licenses and permits	314,962	-	-	314,962
Intergovernmental	3,759,597	642,768	-	4,402,365
Charges for services	571,217	-	-	571,217
Fines and forfeitures	46,423	-	-	46,423
Investment earnings	51,975	127	3	52,105
Miscellaneous	20,725	-	-	20,725
Total revenues	5,662,815	642,895	3	6,305,713
Expenditures				
Current				
General government	749,549	-	-	749,549
Public safety	1,778,760	-	-	1,778,760
Roads and drainage	1,373,184	-	-	1,373,184
Depot welcome center	5,734	-	-	5,734
Sanitation	567,754	-	-	567,754
Health	87,516	-	-	87,516
Welfare	-	663,721	-	663,721
Community development	353,853	-	-	353,853
Fleet maintenance	140,144	-	-	140,144
Capital outlay				
General government	4,161	-	-	4,161
Public safety	50,401	-	-	50,401
Roads and drainage	37,657	-	-	37,657
Fleet maintenance	34,897	-	-	34,897
Debt service				
Principal	-	-	165,000	165,000
Interest and other charges	-	-	69,950	69,950
Total expenditures	5,183,610	663,721	234,950	6,082,281
Excess (Deficiency) of Revenues Over Expenditures	479,205	(20,826)	(234,947)	223,432
Other Financing Sources (Uses)				
Sales of general fixed assets	-	-	-	-
Operating transfers out	(235,224)	(4,725)	239,949	-
Total other financing sources (uses)	(235,224)	(4,725)	239,949	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	243,981	(25,551)	5,002	223,432
Fund Balances				
Beginning	8,095,584	62,312	288,081	8,445,977
Ending	\$ 8,339,565	\$ 36,761	\$ 293,083	\$ 8,669,409

CITY OF PORT ALLEN, LOUISIANA

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

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

Net change in fund balances - total governmental funds \$ 223,432

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	\$ 318,554	
Depreciation expense	<u>(240,479)</u>	
		78,075

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 assets.

Principal payments 165,000

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

OP&EB expenses	\$ 12,853	
Compensated absences	(2,855)	
Pension expense	<u>7,171</u>	
		<u>17,169</u>

Change in net position of governmental activities \$ 483,676

CITY OF PORT ALLEN, LOUISIANA

Statement of Net Position, Proprietary Funds

June 30, 2021

	Business-type Activities Enterprise Funds		
	Water & Gas	Sewer	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,497,453	\$ 429,289	\$ 1,926,742
Investments	-	20,000	20,000
Accounts receivable, net	92,872	216,103	308,975
Due from other funds	173,334	-	173,334
Prepaid expenses and other current assets	23	-	23
Total current assets	1,763,682	665,392	2,429,074
Non-current Assets			
Restricted:			
Cash and cash equivalents	199,785	224,035	423,820
Total restricted assets	199,785	224,035	423,820
Capital assets:			
Land and land improvements	14,857	7,380	22,237
Buildings and structures	294,449	-	294,449
Furniture and fixtures	58,444	5,633	64,077
Equipment and vehicles	344,192	200,211	544,403
Wastewater treatment plant	-	2,449,605	2,449,605
Water system	2,678,074	-	2,678,074
Gas system	4,046,906	-	4,046,906
Sewer system	-	3,195,496	3,195,496
Less accumulated depreciation	(3,312,218)	(2,392,634)	(5,704,852)
Total capital assets (net of accumulated depreciation)	4,124,704	3,465,691	7,590,395
Total non-current assets	4,324,489	3,689,726	8,014,215
Deferred Outflows of Resources	396,419	175,919	572,338
Total assets and deferred outflows of resources	6,484,590	4,531,037	11,015,627

CITY OF PORT ALLEN, LOUISIANA

Statement of Net Position, Proprietary Funds, Continued

June 30, 2021

	Business-type Activities Enterprise Funds		
	Water & Gas	Sewer	Total
Liabilities			
Current Liabilities (payable from current assets):			
Accounts payable	40,348	156,162	196,510
Due to other funds	154,156	197,724	351,880
Customer deposits	199,785	-	199,785
Total current liabilities (payable from current assets)	394,289	353,886	748,175
Current Liabilities (payable from restricted assets):			
Accrued interest payable on revenue bonds	-	2,363	2,363
Current portion of long-term debt	-	95,000	95,000
Total current liabilities (payable from restricted assets)	-	97,363	97,363
Non-current Liabilities:			
Compensated absences	143,871	23,147	167,018
OPEB obligations	282,938	91,676	374,614
Bonds and notes payable	-	900,000	900,000
Net pension liability	1,268,271	489,214	1,757,485
Total non-current liabilities	1,695,080	1,504,037	3,199,117
Total liabilities	2,089,369	1,955,286	4,044,655
Deferred Inflows of Resources			
Total liabilities and deferred inflow of resources	2,742,592	48,488	2,791,080
	4,831,961	2,003,774	6,835,735
Net Position			
Invested in capital assets, net of related debt	1,554,001	2,470,691	4,024,692
Restricted for:			
Ordinance No. 1 of 2006	900,000	-	900,000
Unrestricted (deficit)	(801,372)	56,572	(744,800)
Total net position	\$ 1,652,629	\$ 2,527,263	\$ 4,179,892

CITY OF PORT ALLEN, LOUISIANA

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

Year Ended June 30, 2021

	Business-type Activities Enterprise Funds		
	Water & Gas	Sewer	Total
Operating Revenues			
Charges for services			
Gas sales	\$ 1,601,231	\$ -	\$ 1,601,231
Water sales	484,132	-	484,132
Sewer service charges	-	1,027,233	1,027,233
Connection fees	11,526	-	11,526
Miscellaneous	20,432	-	20,432
Non-employer contributions to pension plan	19,622	5,673	25,295
Total Operating Revenues	2,136,943	1,032,906	3,169,849
Operating Expenses			
Personal services	883,506	277,625	1,161,131
Contractual services and other	298,244	361,776	660,020
Supplies	29,728	28,327	58,055
Materials	618,006	1,881	619,887
Heat, light and power	57,322	70,558	127,880
Depreciation	186,346	136,054	322,400
Total Operating Expenses	2,073,152	876,221	2,949,373
Operating Income (Loss)	63,791	156,685	220,476
Nonoperating Revenues (Expenses)			
Interest expense	-	(9,676)	(9,676)
Investment earnings	1,205	316	1,521
Total Nonoperating Revenues (Expenses)	1,205	(9,360)	(8,155)
Income (loss) before transfers	64,996	147,325	212,321
Transfer in	94,654	-	94,654
Transfer (out)	-	(94,654)	(94,654)
Increase (Decrease) in net assets	159,650	52,671	212,321
Net position			
Beginning	1,492,979	2,474,592	3,967,571
Ending	\$ 1,652,629	\$ 2,527,263	\$ 4,179,892

CITY OF PORT ALLEN, LOUISIANA

Statement of Cash Flows

Year Ended June 30, 2021

Proprietary Funds

	Business-type Activities Enterprise Funds		
	Water & Gas	Sewer	Total
Cash Flows From Operating Activities			
Receipts from customers	\$ 2,133,033	\$ 1,009,463	\$ 3,142,496
Payments to suppliers	(971,457)	(372,934)	(1,344,391)
Payments to employees for services and benefits	(1,053,400)	(278,682)	(1,332,082)
Other operating cash receipts	20,432	-	20,432
Net Cash Provided By (Used In) Operating Activities	128,608	357,847	486,455
Cash Flows From Noncapital Financing Activities			
Transfers to other funds	-	(94,654)	(94,654)
Transfers from other funds	94,654	-	94,654
Net Cash Provided By (Used in) Noncapital Financing Activities	94,654	(94,654)	-
Cash Flows From Capital and Related Financing Activities			
Purchase of capital assets	(27,721)	(37,527)	(65,248)
Principal paid on revenue bonds	-	(94,000)	(94,000)
Interest paid	-	(9,899)	(9,899)
Net Cash Provided By (Used In) Capital and Related Financing Activities	(27,721)	(141,426)	(169,147)
Cash Flows From Investing Activities			
Interest received	1,205	316	1,521
Net Cash Provided By (Used In) Investing Activities	1,205	316	1,521
Increase (Decrease) in Cash and Cash Equivalents	196,746	122,083	318,829
Cash and Cash Equivalents			
Beginning	1,500,492	531,241	2,031,733
Ending	\$ 1,697,238	\$ 653,324	\$ 2,350,562
Cash and Cash Equivalents			
Restricted Assets	\$ 1,497,453	\$ 429,289	\$ 1,926,742
	199,785	224,035	423,820
Totals	\$ 1,697,238	\$ 653,324	\$ 2,350,562

CITY OF PORT ALLEN, LOUISIANA

Statement of Cash Flows

Year Ended June 30, 2021

Proprietary Funds, Continued

	Business-type Activities Enterprise Funds		
	Water & Gas	Sewer	Total
Cash Flows From Operating Activities			
Operating income	\$ 63,791	\$ 156,685	\$ 220,476
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	186,346	136,054	322,400
Provisions for doubtful accounts	(18,081)	-	(18,081)
OPEB obligations	(128,918)	(13,201)	(142,119)
(Increase) decrease in assets			
Accounts receivable	(18,188)	(10,952)	(29,140)
Prepaid expenses	1,061	-	1,061
Increase (decrease) in liabilities			
Accounts payable and accrued expenses	30,782	82,790	113,572
Deposits	3,056	-	3,056
Compensated absences	8,759	6,471	15,230
Net Cash Provided By (Used In) Operating Activities	\$ 128,608	\$ 357,847	\$ 486,455

CITY OF PORT ALLEN, LOUISIANA

**Statement of Net Position
Component Unit***December 31, 2020*

	City Court
Assets	
Current Assets	
Cash	\$ 480,295
Investments	44,439
Prepaid expenses	2,674
Due from other funds	15,718
Total current assets	<u>543,126</u>
Non-Current Assets	
Capital assets, net of depreciation	<u>7,769</u>
Total assets	<u>550,895</u>
Deferred Outflows of Resources	
Total assets and deferred outflows of resources	<u>580,755</u>
Liabilities	
Current Liabilities	
Due to other governments	28,635
Accrued expenses	3,703
Deferred revenues	200
Total current liabilities	<u>32,538</u>
Non-Current Liabilities	
Net pension liability	<u>163,759</u>
Total Liabilities	<u>196,297</u>
Deferred Inflows of Resources	
Total liabilities and deferred inflows of resources	<u>31,160</u>
Net Position	
Invested in capital assets, net of related debt	7,769
Unassigned	345,529
Total net position	<u>\$ 353,298</u>

CITY OF PORT ALLEN, LOUISIANA

Statement of Activities
*Component Unit**Year Ended December 31, 2020*

	<u>Program Revenues</u>		<u>Net (Expenses)</u> <u>Revenues and Changes</u> <u>in Net Position</u>
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>City</u> <u>Court</u>
City Court			
Judiciary	\$ 505,030	\$ 375,814	\$ (129,216)
General Revenues			
Investment earnings			<u>3,008</u>
Change in net position			(126,208)
Net position - beginning			<u>479,506</u>
Net position - ending			<u>\$ 353,298</u>

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements

June 30, 2021

1. Summary of Significant Accounting Policies

Reporting Entity. The government is a municipal corporation governed by an elected Mayor and five member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely presented component units: The City Court of Port Allen serves the citizens of the City. The voters elect the judge. The City is required to provide facilities and funding for the operation of the Court.

Complete financial statements for the City Court may be obtained at the Court's administrative office: City Court of Port Allen, 330 South Alexander, Port Allen, Louisiana.

Related Organizations. The following organizations were considered for inclusion in the reporting entity but did not meet all of the requirements. Therefore, these entities were considered to be related organizations not reported in the accompanying basic financial statements.

Port Allen Auxiliary Police Department. This potential component unit provides volunteer police services within the city limits. Although the City does provide facilities and/or some financing, it does not exercise direct control over their operations.

Port Allen City Constable. This potential component unit is an independently elected official and provides services to residents, generally within the geographic boundaries of the City. However, the City does not have the ability to exercise influence over its daily operations.

Government-wide and Fund Financial Statements. The government-wide financial statements include the statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation. The financial statements of the City are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

However, expenditures related to compensated absences and claims and judgments are only recorded when payment is due.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

Special Revenue Fund:

Low Income Housing Fund. The Low Income Housing Fund is used to account for the expenditure and subsequent reimbursement of funds received from the U.S. Department of Housing and Urban Development for rental assistance to low income citizens who qualify.

Debt Service Fund:

Municipal Complex Debt Service Fund. The Municipal Complex Debt Service Fund accumulates revenues and the payment of principal and interest on the Louisiana Local Governmental Facilities and Community Development Authority bonds for the construction of the Municipal Complex Building.

The government reports the following major proprietary funds:

Enterprise Funds:

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

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

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Cash and Cash Equivalents. Cash and cash equivalents include cash on hand, demand deposits, as well as certificates of deposit and short-term investments, with a maturity date within three months of the date acquired by the City.

Under state law, the City may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. State statutes authorize the City to invest in United States bonds, treasure notes or certificates. These are classified as investments if the original maturities exceed 90 days. Investments are stated at fair value using published market rates.

Cash and cash equivalents are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged 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.

Investments. Nearly all investments held by general purpose governments are required to be reported at fair value in their basic financial statements by GASB Codification 150 *Investment*.

Inventories. Purchases of operating supplies are recorded as expenditures when purchased; inventories of such supplies are not recorded and are not considered by management to be material.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

Prepaid Items. Payments made to vendors for services that will benefit periods beyond June 30 are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets. Restricted assets include certain cash and investments of the Water & Gas Fund, Sewer Fund and Municipal Complex Debt Service Fund, which are legally restricted as to their use. The restricted cash and investments in the governmental funds and in the Sewer Fund are held separately and restricted according to the applicable bond indenture agreements. The restricted cash in the Water & Gas Fund is held in trust for customer utility meter deposits.

Compensated Absences. Full-time, permanent employees of the City earn vacation leave and sick leave at various rates depending on the number of years of service. The City's policy allows employees to accumulate unused sick leave on an unlimited basis and unused vacation leave up to 60 days. An employee is compensated for up to 60 days of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon an employee's retirement, sick leave, not to exceed 60 days, and vacation leave not to exceed 60 days shall be paid as severance pay. The liability for these compensated absences is recorded as long-term debt in the government-wide and proprietary financial statements. However, any matured compensated absences existing at year-end which are payable to currently terminating employees are reported in the governmental funds as wages and benefits payable and on the government-wide and proprietary financial statements as the current portion of compensated absences.

Capital Assets. Capital Assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized have an original cost in excess of \$2,000 and a useful life of over one year. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Description	Life in Years
Buildings	30-50
Water and Sewer Systems	40-50
Infrastructure	20-35
Machinery and Equipment	5-10
Improvements	20

GASB Codification section 1400 "Reporting Capital Assets" requires the City to report and depreciate new infrastructure assets in the year acquired. Infrastructure assets include roads, underground pipe (other than related to utilities), etc. These infrastructure assets are likely to be

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

the largest asset class of the City. Neither their historical cost nor related depreciation has been reported in the financial statements prior to June 30, 2001. The retroactive reporting of infrastructure is not required for governments of this size and, accordingly, the City has elected not to report infrastructure retroactively. However, the City will continue to report new infrastructure assets in the year acquired.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS), Municipal Police Employees Retirement System (MPERS), and Louisiana State Employees Retirement System (LASERS) and additions to/deductions from MERS, MPERS and LASERS fiduciary net position have been determined on the same basis as they are reported by MERS, MPERS and LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long Term Debt. Long Term Debt obligations to be repaid from governmental and business type resources are reported as liabilities in the government-wide statements.

Long Term Debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources, and the payment of principle and interest are reported as expenditures, in the fund statements.

The reporting of Long Term Debt in the proprietary statements is the same in the fund statements as it is in the government-wide statements.

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 financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expenses/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The City has two types of deferred inflows of resources: 1.) amounts which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in Water & Gas proprietary fund balance sheet. The Water & Gas fund reports unavailable revenues related to a public-private partnership

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

where it received capital assets for discounted utility fees and 2.) amounts related to pensions and OPEB on the government wide financial statement. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Equity.

Equity Classifications.

Government-Wide Financial Statements.

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by:
 1. external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or
 2. law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Fund Financial Statements.

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as follows.

The City follows GASB Codification Section 1400 “Fund Accounting”. As such, fund balances of the governmental fund are classified as follows:

Non-spendable – amount that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

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

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

Committed – amounts that can be used only for specific purposes determined by a formal decision of the City Council. The City Council is the highest level of decision-making authority for the City of Port Allen.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – all other spendable amounts.

The City Council is the highest level of decision-making authority for the City. The Council would have to approve a resolution to approve or change any previously approved commitment of fund balance. The City council is also authorized to approve assigned fund balances. It is the City's policy to spend unrestricted fund balances first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is the City's policy to spend committed or assigned fund balances first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The City does not have any policy regarding minimum fund balance amounts.

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

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Interfund Receivables and Payables:

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as "due from/to other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Elimination and Reclassification:

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

Revenues and Expenditure Recognition.

Ad Valorem Taxes. Ad Valorem taxes are recognized in the fiscal year in which the taxes are levied. Taxes are due and become an enforceable lien on property on the first day of the month following the filing of the tax rolls by the assessor with the Louisiana Tax Commission (usually December 1). City taxes are billed and collected by the City.

Taxes become delinquent on January 1st in the year after levy. Taxes are levied on property values determined by the West Baton Rouge Parish Assessor's Office. All land and residential improvements are assessed at 10 percent of its fair market value and other property at 15 percent of its fair market value. Ad Valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation for the following purposes:

General Fund	2021 Millage
General Maintenance	7.18
Police Department	5.02

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

Recently Adopted Accounting Pronouncements. In January 2017, GASB approved Statement No. 84, "Fiduciary Activities." GASB Statement No. 84 establishes general criteria for determining when a governmental unit has a fiduciary role for managing certain types of assets. GASB No. 84 replaces agency funds with custodial funds, which generally are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The provisions of GASB Statement No. 84 must be implemented by the City for periods beginning after December 15, 2019, with earlier application encouraged. The standard did not have a material impact on our net position or change in net position.

Subsequent Events. In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 8, 2021, the date the financial statements were available to be issued.

2. Stewardship, Compliance, and Accountability

Budgetary Information. Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

revenue, capital improvement and debt service funds, and all annual appropriations lapse at fiscal year-end.

Policies and procedures with respect to the budget adoption and budgetary control are as follows:

On or before May 15 of each year, all agencies of the City submit requests for appropriation to the City's finance director so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before June 16, the proposed budget is presented to the City's Council for review. The City's Council holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City's finance director or the revenue estimates must be changed by an affirmative vote of a majority of the City's Council.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary integration of the General Fund.

All appropriations which are not expended or encumbered lapse at year-end. Encumbrances outstanding at year end include \$88,620 for capital outlays.

3. Deposits and Investments

The table below reconciles deposits and investments by the nature of the deposit to the applicable financial statement classification as of June 30, 2021.

Financial statement Classification	Demand Deposits	Certificates of Deposit	Market Accounts	LAMP	Total
Cash and cash equivalents	\$ 1,770,503	\$ -	\$ 5,269,507	\$ 1,069,479	\$ 8,109,489
Investments	-	1,720,000	-	-	1,720,000
Restricted Cash and cash equivalents	472,127	-	328,057	-	800,184
Balance per City books	\$ 2,242,630	\$ 1,720,000	\$ 5,597,564	\$ 1,069,479	\$ 10,629,673
Institutional balances	\$ 2,058,296	\$ 1,720,000	\$ 5,583,779	\$ 1,068,404	\$ 10,430,479

Deposits

The total balances will not necessarily equal the balances per the statement of net position. Deposits in bank accounts are stated at cost, which approximates market value. Under state law,

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

these deposits are 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 at all times equaled the amount on deposit with the fiscal agent. Because the securities are held by the pledging fiscal agent in the City's name, the City does not have any custodial credit risk. Balances in the money market accounts are secured by the underlying assets. In addition, the Louisiana Asset Management Pool (LAMP) investments of \$1,069,479 are included in the amounts of cash and cash equivalents because they are readily available.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are uninsured, are not registered in the City, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent but not held in the City's name. The deposits of the City at June 30, 2021 were not subject to custodial credit risk.

LAMP

At June 30, 2021, the City had an investment of \$1,069,479 with the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

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

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for 2a7 like investment pools:

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

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 82 days as of June 30, 2021.
- Foreign currency risk: Not applicable.

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

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

Investments

As of June 30, 2021, the change in the City's investments is reported as follows:

	<u>Change in Investments</u>	
	<u>Amortized Cost</u>	<u>Fair Value</u>
Balance, June 30, 2020	\$ 1,720,000	\$ 1,720,000
Add:		
Sales	-	-
Market value adjustment	-	-
Balance, June 30, 2021	<u>\$ 1,720,000</u>	<u>\$ 1,720,000</u>

As of June 30, 2021, the City of Port Allen had the following investments and maturities:

	<u>Fair Value</u>	<u>Investment Maturities in Years</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Certificates of deposit	\$ 1,720,000	\$ 1,720,000	\$ -	\$ -	-

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

4. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include ad valorem, sales taxes, franchise taxes, and grants. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as ad valorem, sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Balances receivable have been aggregated for presentation in the accompanying financial statements. Therefore, the following schedules provide additional detailed information concerning balances receivable by category and fund type. Receivable balances at June 30, 2021, are as follows:

	<u>Governmental Funds</u>	
	<u>General Fund</u>	<u>Total Governmental Funds</u>
Franchise tax	\$ 82,536	\$ 82,536
Property tax	64,191	64,191
Accounts receivable	102,012	102,012
Other	102,780	102,780
Total Receivables	351,519	351,519
Allowance for Uncollectibles	(99,424)	(99,424)
Receivables, Net	\$ 252,095	\$ 252,095

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

	Proprietary Funds		
	Water & Gas Fund	Sewer Fund	Total Proprietary Funds
Utility fees	\$ 235,189	\$ 216,103	\$ 451,292
Allowance for uncollectibles	(142,317)	-	(142,317)
Receivables, Net	\$ 92,872	\$ 216,103	\$ 308,975

Uncollectible amounts due for condemnation and code enforcement receivables and utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the collectability of the particular receivable.

5. Pipeline Public-Private Partnership

As of June 30, 2021, \$2,570,703 is included in deferred inflows of resources related to unavailable revenue for proprietary funds related to the City's acquisition of gas pipeline additions through a public-private partnership with 3 of its commercial customers. The private companies facilitated and paid for the construction of the line additions in return for reduced utility fees until such time that they had recouped their investment. The City will recognize revenue for all gas provided to these customers at normal commercial rates and relieve deferred inflows for the discounts provided the customers until all deferred inflows are realized.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

6. Capital Assets

The following is a summary of changes in capital assets for governmental activities for the fiscal year ended June 30, 2021:

	Beginning Balance June 30, 2020	Increases	Decreases	Transfers	Ending Balance June 30, 2021
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 686,051	\$ -	\$ -	\$ -	\$ 686,051
Capital assets, being depreciated:					
Buildings and structures	4,661,528	239,548	-	141,634	5,042,710
Furniture and fixtures	367,766	-	-	-	367,766
Equipment and vehicles	1,569,026	79,006	-	-	1,648,032
Construction in process	141,634	-	-	(141,634)	-
Total capital assets, being depreciated	6,739,954	318,554	-	-	7,058,508
Less accumulated depreciation for:					
Buildings and structures	1,804,291	135,132	-	-	1,939,423
Furniture and fixtures	306,344	11,929	-	-	318,273
Equipment and vehicles	1,350,073	93,418	-	-	1,443,491
Total accumulated depreciation	3,460,708	240,479	-	-	3,701,187
Total capital assets, being depreciated, net	3,279,246	78,075	-	-	3,357,321
Governmental activities capital assets, net	\$ 3,965,297	\$ 78,075	\$ -	\$ -	\$ 4,043,372

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

The following is a summary of changes in capital assets for business-type activities for the fiscal year June 30, 2021:

	Beginning Balance June 30, 2020	Increases	Decreases	Transfers	Ending Balance June 30, 2021
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 22,237	\$ -	\$ -	\$ -	\$ 22,237
Capital assets, being depreciated:					
Buildings	294,449	-	-	-	294,449
Furniture and fixtures	59,917	4,161	-	-	64,078
Equipment and vehicles	532,692	11,710	-	-	544,402
Wastewater treatment plant	2,449,605	-	-	-	2,449,605
Water system	2,666,224	11,850	-	-	2,678,074
Gas system	4,046,906	-	-	-	4,046,906
Sewer system	2,641,399	37,527	-	516,570	3,195,496
Construction in progress	516,570	-	-	(516,570)	-
Total capital assets, being depreciated	13,207,762	65,248	-	-	13,273,010
Less accumulated depreciation for:					
Buildings	186,351	9,018	-	-	195,369
Furniture and fixtures	57,857	1,861	-	-	59,718
Equipment and vehicles	476,990	29,427	-	-	506,417
Wastewater treatment plant	1,027,860	58,728	-	-	1,086,588
Water system	1,461,328	58,224	-	-	1,519,552
Gas system	1,114,514	101,174	-	-	1,215,688
Sewer system	1,057,552	63,968	-	-	1,121,520
Total accumulated depreciation	5,382,452	322,400	-	-	5,704,852
Total capital assets, being depreciated, net	7,825,310	(257,152)	-	-	7,568,158
Business-type activities capital assets, net	\$ 7,847,547	\$ (257,152)	\$ -	\$ -	\$ 7,590,395

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

Depreciation expense was charged to government functions as follows:

General Government	\$ 113,861
Public Safety - Police Department	73,320
Roads and Drainage	39,400
Fleet Maintenance	5,785
Depot Welcoming Center	8,113
Total	<u>\$ 240,479</u>
<hr/>	
Water and Gas	\$ 186,346
Sewer	136,054
Total	<u>\$ 322,400</u>

Capital outlays are reported as expenditures in the governmental funds; however, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. The adjustment from governmental funds to the government-wide statements is summarized as follows:

Primary Government

Capital outlay	\$ 318,554
Depreciation expense	<u>(240,479)</u>
Total adjustments	<u>\$ 78,075</u>

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

7. Long Term Debt

The following is a summary of changes in long term debt for the year ended June 30, 2021:

Type of Debt	Balance at June 30, 2020	Additions or Bonds Issued	Bonds Redeemed and Other Reductions	Balance at June 30, 2021	Amount due within One Year
<i>Governmental Activities:</i>					
Revenue bond	\$ 1,920,000	\$ -	\$ 165,000	\$ 1,755,000	\$ 170,000
Other post employment benefits	861,947	51,471	-	913,418	-
Compensated absences	259,698	2,855	-	262,553	-
Net pension liabilities	4,816,621	-	343,783	4,472,838	-
Total governmental long-term debt	\$ 7,858,266	\$ 54,326	\$ 508,783	\$ 7,403,809	\$ 170,000
<i>Business-Type Activities:</i>					
Revenue bond	\$ 1,089,000	\$ -	\$ 94,000	\$ 995,000	\$ 95,000
Other post employment benefits	375,101	-	487	374,614	-
Compensated absences	151,788	15,230	-	167,018	-
Net pension liabilities	1,820,187	-	62,702	1,757,485	-
Total business-type activities debt	\$ 3,436,076	\$ 15,230	\$ 157,189	\$ 3,294,117	\$ 95,000

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

Governmental Activities:

As of June 30, 2021, the governmental long-term debt of the financial reporting entity consisted of the following:

Revenue Bonds

The City borrowed \$3,505,000 from Louisiana Local Environmental Facilities and Community Development Authority (the "Authority") on August 10, 2004 for the construction of a new city hall and related improvements. The loan was payable in annual installments of \$45,000 to \$245,000 plus interest at 4.0% to 5.2%. The bonds were refunded in November 2011 by the issuance of \$3,125,000 of new bonds. Payments are due in annual installments of \$135,000 to \$215,000 plus interest at 2.0% to 4.25%. The bonds are due annually from July 1, 2012 to July 1, 2029. The balance at June 30, 2021 is \$1,755,000 and debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2022	\$ 170,000	\$ 66,763
2023	175,000	60,294
2024	180,000	53,638
2025	190,000	46,463
2026	200,000	38,663
2027-2030	840,000	70,994
	<u>\$ 1,755,000</u>	<u>\$ 336,815</u>

There are a number of covenants and restrictions in the bond indenture noted above. The City is in compliance with all of the covenants related to the debt as of June 30, 2021.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

Business Activities:

As of June 30, 2021, the long term debt payable from proprietary fund resources consisted of the following:

Revenue Bonds

On October 1, 2010, the City issued Revenue Bonds through the Louisiana Department of Environmental Quality in an amount not to exceed \$1,900,000 for the purpose of paying the costs of in-kind replacement of most mechanical and electrical equipment at its wastewater treatment plant and rehabilitating approximately 1,170 linear feet of its sewer system. Construction was completed on July 17, 2012. The bonds will mature in 20 years and bear interest and administrative fees at a combined rate of .95%, payable on April 1 and October 1 of each year. The City used \$1,813,000 of the approved total. The balance at June 30, 2021 is \$995,000 and debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2022	\$ 95,000	\$ 9,001
2023	96,000	8,094
2024	97,000	7,177
2025	98,000	6,251
2026	99,000	5,315
2027-2031	510,000	12,208
	<u>\$ 995,000</u>	<u>\$ 48,046</u>

There are a number of covenants and restrictions contained in the bond indenture noted above. The City is in compliance with all of the covenants related to the DEQ debt at June 30, 2021.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

8. Interfund Receivables/Payables and Transfers

Amounts due from and to other funds as reported in the fund financial statements, at June 30, 2021, consist of the following:

<u>Governmental Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Net</u>
General Fund	\$ 180,840	\$ 2,874	\$ 177,966
Lower Income Housing	580	-	580
	<u>181,420</u>	<u>2,874</u>	<u>178,546</u>
<u>Proprietary Funds</u>			
Water & Gas Fund	173,334	154,156	19,178
Sewer Fund	-	197,724	(197,724)
	<u>173,334</u>	<u>351,880</u>	<u>(178,546)</u>
	<u>\$ 354,754</u>	<u>\$ 354,754</u>	<u>\$ -</u>

The balances reflected in interfunds represent either routine charges for goods and services or permanent (non-loan) transfers from one fund to another. These balances are settled periodically. The amounts here represent activity since the last settlement.

For the year ended June 30, 2021, interfund transfers consisted of the following:

<u>Governmental Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net</u>
General Fund	\$ 4,725	\$ 239,949	\$ (235,224)
Lower Income Housing	-	4,725	(4,725)
Municipal Debt Service Fund	239,949	-	239,949
	<u>244,674</u>	<u>244,674</u>	<u>-</u>
<u>Proprietary Funds</u>			
Water & Gas Fund	94,654	-	94,654
Sewer Fund	-	94,654	(94,654)
	<u>94,654</u>	<u>94,654</u>	<u>-</u>
	<u>\$ 339,328</u>	<u>\$ 339,328</u>	<u>\$ -</u>

9. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

At June 30, 2021, there were various lawsuits and claims pending against the City. The outcome is not presently determinable and in the opinion of City management, after consultation with legal counsel, the resolution of these matters will not have a material adverse effect on the financial position of the City.

10. Retirement Commitments

The City provides pension benefits for all of its full-time employees through three separate cost sharing, multiple-employer public employee retirement systems. All full-time City employees, except police, are members in the Municipal Employees' Retirement System of the State of Louisiana (MERS). All full-time police are members of the Municipal Police Retirement System of Louisiana (MPERS). The City Court Judge is a member of the Louisiana State Employees' Retirement System (LASERS).

Plan Description

MERS

MERS membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership, with exceptions outlined in the Louisiana Revised Statutes. The City participates in Plan A and provides retirement benefits to any member of Plan A who was hired before January 1, 2013 meeting one of the following criteria:

- Any age with 25 or more years of creditable service
- Age 60 with a minimum of 10 years' creditable service
- Any age with 20 years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

For members hired after January 1, 2013, benefits are provided to any member of Plan A meeting one of the following criteria:

- Age 67 with 7 or more years of creditable service
- Age 62 with 10 or more years of creditable service
- Age 55 with 30 or more years of creditable service
- Any age with 25 years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to 3% of the member's monthly average final compensation times years of creditable service. Final compensation is the average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted. However,

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Survivor, death, and disability benefits are also provided under the plan.

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During such period, employer contributions are payable but employee contributions cease. Monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become a member has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership.

For the year ended June 30, 2020, the actual employer contribution rate was 27.75%.

The plan receives ad valorem and state revenue sharing funds as employer contributions and those amounts are considered support from non-employer contributing entities, but are not considered as special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense in the government-wide financial statements.

Under Plan A, members are required by state statute to contribute 10% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 29.50% of annual covered payroll. Contributions to the System also include 1/4 of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

under Plan A for the years ended June 30, 2021, 2020, and 2019 were \$464,048, \$440,510, and \$427,066, respectively, equal to the required contributions for each year.

MPERS

MPERS membership is mandatory for any full-time police officer employed by a municipality of the state and engaged in law enforcement, empowered to make arrests, provided that the officer is not required to pay Social Security, and otherwise meets statutory criteria. For members hired before January 1, 2013, the plan provides retirement benefits to any member who has:

- 25 years of creditable service, or
- 20 years of creditable service who has attained age 50, or
- 12 years of service who has attained age 55, or
- 20 years of creditable service at any age with an actuarially reduced benefit.

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

For members hired after January 1, 2013, benefits are based on the Hazardous Duty sub-plan or the Nonhazardous Duty sub-plan. Under the Hazardous Duty sub-plan, a member is eligible for benefits after:

- 25 years of creditable service at any age, or
- 12 years of creditable service at age 55.

Under the Nonhazardous Duty sub-plan, a member is eligible for benefits after:

- 30 years of creditable service at any age, or
- 25 years of creditable service at age 55, or
- 10 years of creditable service at age 60.

Under both sub-plans, a member is eligible for early retirement after 20 years of creditable service at any age with an actuarially reduced benefit from age 55. Benefit rates are 3% and 2.5%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) times the number of years of creditable service, not to exceed 100% of final salary.

The plan also provides survivor, death, and disability benefits.

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During such period, both employer and employee contributions cease. Monthly benefits that the member would have

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

received during the DROP period are paid into the DROP fund. Interest is earned when the member has completed DROP participation, based on the actual rate of return less one-half percentage point on the investments identified as DROP funds for the period. No cost-of-living increases are payable to participants until employment has been terminated for at least one full year.

Contributions by employers are actuarially determined by law, but cannot be less than 9% of compensation excluding overtime, but including state supplemental pay. For the year ended June 30, 2020, employer contributions were 32.50% for employees hired prior to January 1, 2013 and for Hazardous Duty employees hired after January 1, 2013. For Nonhazardous duty employees hired after January 1, 2013, employer contributions were 32.50%.

The plan also receives insurance premium tax monies appropriated by the state legislature as additional employer contributions and considered support from a non-employer contributing entity, but not considered a special funding situation.

Plan members are required by state statute to contribute 10.0% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 33.75% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System for the years ended June 30, 2021, 2020, and 2019 were \$266,041, \$270,340, and \$300,287, respectively, equal to the required contributions for each year.

LASERS

Employees of the City are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006, and June 30, 2015, may retire at age 60 upon completing five years of creditable service and

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

those hired on or after July 1, 2015, may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

62 after five years of creditable service and may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers.

For the year ended June 30, 2021 employer contributions were 42.50% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. The City's contributions to the System for the years ended June 30, 2021, 2020, and 2019 were \$12,101, \$12,087, and \$5,766, respectively, equal to the required contributions for each year.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

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

Net pension liability at June 30, 2021, is comprised of the City's proportional share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer (MERS, MPERS and LASERS) The net pension liability for each plan was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability for each of the cost-sharing plans in which it participates was based on the City's required contributions in proportion to total required contributions for all participating employers, actuarially determined. As of the most recent measurement date for each plan, the City's proportion for each cost-sharing plan and the change in proportion from the prior measurement date were as follows:

	MERS	MPERS	LASERS
Proportion (amount) of net pension liability	\$ 3,622,109	\$ 2,489,034	\$ 119,180
Proportion (%) of net pension liability	0.8378%	0.2693%	0.0014%
Increase/(Decrease) from prior measurement date	-0.0607%	-0.0362%	-0.0001%

For the year ended June 30, 2021, the City recognized pension expense as follows:

	2021
MERS	\$ 558,949
MPERS	247,461
LASERS	64,778
	<u>\$ 871,188</u>

In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

	Deferred Outflows of Resources			
	MERS	MPERS	LASERS	Total
Differences between expected and actual experience	\$ 1,680	\$ -	\$ -	\$ 1,680
Changes of assumptions	60,936	59,145	381	120,462
Net difference between projected and actual earnings on pension plan investments	361,446	298,609	17,422	677,477
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-	-	-
City contributions subsequent to the measurement date	464,048	266,041	12,101	742,190
Total	\$ 888,110	\$ 623,795	\$ 29,904	\$ 1,541,809

	Deferred Inflows of Resources			
	MERS	MPERS	LASERS	Total
Differences between expected and actual experience	\$ 20,533	\$ 98,041	\$ 1,145	\$ 119,719
Changes of assumptions	-	61,426	-	61,426
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between City contributions and proportionate share of contributions	79,972	206,443	5,171	291,586
Total	\$ 100,505	\$ 365,910	\$ 6,316	\$ 472,731

The deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date totaling \$742,190 will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and all amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year	MERS	MPERS	LASERS	Total
2022	\$ 43,226	\$ (73,208)	\$ 5,024	\$ (24,958)
2023	(1,214)	(83,215)	5,384	(79,045)
2024	336,494	(10,512)	4,032	330,014
Total	\$ 378,506	\$ (166,935)	\$ 14,440	\$ 226,011

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

	MERS	MPERS	LASERS
Inflation	2.50%	2.50%	2.30%
Salary Increases	vary from 6.4% for first 4 years to 4.5% after 4 years of service	vary from 12.3% for first 2 years of service to 4.75% after 3 years	projected based on a 2014-2018 experience study of system members (2.6%- 5.1%)
Investment rate of return	6.950%, net of pension plan investment expense, including inflation	6.950 %, net of investment expense	7.55% per annum, net of investment expenses
Actuarial cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Expected remaining Service Lives	3 years	4 years	2 years
Mortality	<p>Annuitant and beneficiary mortality - PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.</p> <p>Employee mortality - PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. Disabled lives mortality - PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.</p>	<p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p>	<p>Non-disabled members - The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale CP-2018.</p> <p>Disabled members -- Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>
Cost of Living Adjustments	Not substantively automatic.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<u>MERS</u>		
Public equity	53.00%	2.33%
Public fixed income	38.00%	1.67%
Alternatives	9.00%	0.40%
Totals	100.00%	4.40%
Inflation		2.60%
Expected Arithmetic Nominal Return		7.00%
<u>MPERS</u>		
Equity	48.50%	3.08%
Fixed Income	33.50%	0.54%
Alternatives	18.00%	1.02%
Other	0.00%	0.00%
Totals	100.00%	4.64%
Inflation		2.55%
Expected Arithmetic Nominal Return		7.19%
<u>LASERS</u>		
Cash	0.00%	-0.59%
Domestic equity	23.00%	4.79%
International equity	32.00%	5.83%
Domestic Fixed Income	6.00%	1.76%
International Fixed Income	10.00%	3.98%
Alternative Investments	29.00%	6.69%
Risk Parity		4.20%
Totals	100.00%	5.81%
Inflation		2.30%
Expected Geometric Nominal Return		8.11%

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

Discount Rate

MERS

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

MPERS

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

LASERS

The discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

Sensitivity of the City's Proportionate Shares 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 the discount rates as shown above, 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:

	1% Decrease	Current Discount Rate	1% Increase
MERS (current rate 6.95%)	\$ 4,711,967	\$ 3,622,109	\$ 2,700,588
MPERS (current rate 6.95%)	3,496,827	2,489,034	1,646,560
LASERS (current rate 7.55%)	146,454	119,180	96,036
	<u>\$ 8,355,248</u>	<u>\$ 6,230,323</u>	<u>\$ 4,443,184</u>

Pension Plan Fiduciary Net Position:

Detailed information about the plans' fiduciary net position is available in the separately issued financial statements of the plans.

Support of Non-employer Contributing Entities:

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The City recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. The City recognized revenue as a result of support received from MERS of \$56,836 and MPERS of \$58,702.

11. Post-Employment Health Care and Life Insurance Benefits

General Information about the OPEB Plan

Plan Description – The City of Port Allen (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of Port Allen's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

Benefits Provided – Medical insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employee retirement eligibility (D.R.O.P. entry) provisions are as follows: attainment of Medical benefits are provided through a self-insured medical plan and are made available to employees upon actual retirement. The employees are covered by one of three retirement systems: first, the Municipal Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service; second, the Firefighters' Retirement System of Louisiana, and, third, the Municipal Police Retirement System of Louisiana. Both the Fire and Police systems have retirement eligibility (D.R.O.P. entry) provisions as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service. Employees hired on and after January 1, 2013 must meet the following retirement (D.R.O.P. entry) requirements: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Notwithstanding this there is a minimum service requirement of 25 years for benefits.

Employees covered by benefit terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	63
Total	<u>71</u>

Total OPEB Liability

The City's total OPEB liability of \$1,288,032 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

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

Inflation	2.0%
Salary increases	3.0% including inflation
Prior discount rate	2.21%
Discount rate	2.16%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2021, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2021.

Changes in Total OPEB Liability

Balance at June 30, 2020	\$ 1,237,048
Changes for the year	
Service cost	12,420
Interest	27,476
Differences between expected and actual experience	44,298
Changes in assumptions	9,110
Benefit payments and net transfers	(42,320)
Net changes	50,984
Balance at June 30, 2021	\$ 1,288,032

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1.0% Decrease (1.16%)	Current Discount Rate (2.16%)	1.0% Increase (3.16%)
Total OPEB Liability	\$ 1,449,806	\$ 1,288,032	\$ 1,119,513

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB Liability	\$ 1,124,678	\$ 1,288,032	\$ 1,489,472

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

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

For the year ended June 30, 2021, the City recognized OPEB expense of (\$493). At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 117,772	\$ 530,088
Changes in assumptions	370,056	41,062
Total	<u>\$ 487,828</u>	<u>\$ 571,150</u>

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

Year Ending June 30:

2022	\$ (40,389)
2023	(40,389)
2024	(40,389)
2025	(40,389)
2026	15,835
Thereafter	62,399

12. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The City purchases commercial insurance policies at levels which management believes is adequate to protect the City. The City did not have any claims in excess of the commercial insurance coverage for the year ended June 30, 2021.

13. On-Behalf Payments

Included in intergovernmental revenue and salary expense are supplemental salary payments to police officers, which were paid directly to them from the State of Louisiana. The payments to police officers were \$77,802 for the year ended June 30, 2021.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 2021

14. Restrictions of Fund Balances and Net Position

On January 11, 2006, the City Council passed Ordinance No. 1 of 2006, which restricted \$2,500,000 of the fund balance of the General Fund to assist the City in meeting extraordinary expenses and obligations in the event of a potential future decrease in sales tax revenue. The same ordinance also restricted \$900,000 of the net position of the Water and Gas Fund to assist the City in meeting extraordinary expenses and obligations due to unanticipated costs regarding the operation and maintenance of the City's water and gas system.

15. Municipal Securities Disclosure

To comply with SEC rule 15c2-12 filings, the City files annual financial information and operating data on the Municipal Securities Rulemaking Board website. There have been no significant events that were required to be reported. Copies of the filings can be viewed at <http://emma.msrb.org/continuingdisclosureview>.

15. Subsequent Event

In July 2021, the City refunded \$1,585,000 of the Revenue Refunding Bonds, Series, 2011 with Revenue Refunding Bonds, Series 2021. The new bonds were issued in the amount of \$1,645,000 at an interest rate of 1.50%. The purpose of this refunding was reducing the interest rate.

In August 2021, the City received \$877,105 of the American Rescue Plan Act funding. Management will spend funds in accordance with the compliance program requirements.

CITY OF PORT ALLEN, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund

Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual Basis	Adjustment to Budget Basis	Actual (Budgetary Basis)	Variance - Favorable (Unfavorable)
Revenues						
Taxes	\$ 914,400	\$ 914,400	\$ 897,916	\$ -	\$ 897,916	\$ (16,484)
Licenses and permits	341,800	341,800	314,962	-	314,962	(26,838)
Intergovernmental	2,827,300	3,327,300	3,759,597	-	3,759,597	432,297
Charges for services	555,500	555,500	571,217	-	571,217	15,717
Fines and forfeitures	50,000	50,000	46,423	-	46,423	(3,577)
Investment earnings	60,000	60,000	51,975	-	51,975	(8,025)
Miscellaneous	30,000	30,000	20,725	-	20,725	(9,275)
Total revenues	<u>4,779,000</u>	<u>5,279,000</u>	<u>5,662,815</u>	<u>-</u>	<u>5,662,815</u>	<u>383,815</u>
Expenditures						
Current						
General government	801,369	805,698	749,549	-	749,549	56,149
Public safety	1,937,520	1,953,984	1,778,760	(10,653) (1)	1,768,107	185,877
Roads and drainage	1,571,863	1,589,823	1,373,184	-	1,373,184	216,639
Depot welcome center	18,100	18,100	5,734	-	5,734	12,366
Sanitation	556,000	556,000	567,754	-	567,754	(11,754)
Health	66,000	66,000	87,516	-	87,516	(21,516)
Community development	343,171	344,204	353,853	(61,380)	292,473	51,731
Fleet maintenance	131,888	133,417	140,144	-	140,144	(6,727)
Capital outlay						
General government	-	6,000	4,161	- (1)	4,161	1,839
Public safety	-	52,000	50,401	-	50,401	1,599
Roads and drainage	11,100	13,800	37,657	-	37,657	(23,857)
Fleet maintenance	42,697	42,697	34,897	-	34,897	7,800
Total expenditures	<u>5,479,708</u>	<u>5,581,723</u>	<u>5,183,610</u>	<u>(72,033)</u>	<u>5,111,577</u>	<u>470,146</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(700,708)</u>	<u>(302,723)</u>	<u>479,205</u>	<u>72,033</u>	<u>551,238</u>	<u>853,961</u>
Other Financing Sources (Uses)						
Operating transfers (out)	(240,925)	(240,925)	(235,224)	-	(235,224)	5,701
Total other financing sources (uses)	<u>(240,925)</u>	<u>(240,925)</u>	<u>(235,224)</u>	<u>-</u>	<u>(235,224)</u>	<u>5,701</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (941,633)</u>	<u>\$ (543,648)</u>	<u>243,981</u>	<u>\$ 72,033</u>	<u>\$ 316,014</u>	<u>\$ 859,662</u>
Fund Balance						
Beginning			<u>8,095,584</u>			
Ending			<u>\$ 8,339,565</u>			

Explanation of differences:
(1) Encumbrances

CITY OF PORT ALLEN, LOUISIANA

Schedule of Revenues and Other Financing

Year Ended June 30, 2021

Sources - Budget and Actual
General Fund

	Original Budget	Revised Budget	Actual Basis	Adjustment To Budget Basis	Actual (Budgetary Basis)	Variance - Favorable (Unfavorable)
Taxes						
Ad valorem	\$ 576,400	\$ 576,400	\$ 567,087	\$ -	\$ 567,087	\$ (9,313)
Franchise	338,000	338,000	330,829	-	330,829	(7,171)
Total taxes	914,400	914,400	897,916	-	897,916	(16,484)
Licenses and permits						
Business licenses and permits						
Professional and occupational	341,800	341,800	314,962	-	314,962	(26,838)
Total licenses and permits	341,800	341,800	314,962	-	314,962	(26,838)
Intergovernmental						
State shared revenues						
Alcoholic beverage tax	13,000	13,000	13,127	-	13,127	127
Video poker	10,000	10,000	9,145	-	9,145	(855)
Operating grant	5,300	5,300	74,866	-	74,866	69,566
On behalf payments	94,000	94,000	77,802	-	77,802	(16,198)
West Baton Rouge Parish shared revenues						
General sales and use tax	2,700,000	3,200,000	3,580,903	-	3,580,903	380,903
Subpoena reimbursements	5,000	5,000	3,754	-	3,754	(1,246)
Total intergovernmental	2,827,300	3,327,300	3,759,597	-	3,759,597	432,297
Charges for services						
Public safety - protective inspection fees	9,500	9,500	7,994	-	7,994	(1,506)
Sanitation - refuse collection charges	546,000	546,000	563,223	-	563,223	17,223
Total charges for services	555,500	555,500	571,217	-	571,217	15,717
Fines and forfeitures	50,000	50,000	46,423	-	46,423	(3,577)
Investment earnings	60,000	60,000	51,975	-	51,975	(8,025)
Miscellaneous	30,000	30,000	20,725	-	20,725	(9,275)
Total revenues	4,779,000	5,279,000	5,662,815	-	5,662,815	383,815
Other Financing Sources						
Sales of general fixed assets	-	-	-	-	-	-
Operating transfers out	(240,925)	(240,925)	(235,224)	-	(235,224)	5,701
Total other financing sources	(240,925)	(240,925)	(235,224)	-	(235,224)	5,701
Total revenues and other financing sources	\$ 4,538,075	\$ 5,038,075	\$ 5,427,591	\$ -	\$ 5,427,591	\$ 389,516

CITY OF PORT ALLEN, LOUISIANA*Schedule of Expenditures and Other Financing*

Year Ended June 30, 2021

*Uses - Budget and Actual**General Fund*

	Original Budget	Revised Budget	Actual Basis	Adjustment To Budget Basis	Actual (Budgetary Basis)	Variance - Favorable (Unfavorable)
Current						
General government						
Legislative						
Personal services	\$ 39,400	\$ 39,400	\$ 40,062	\$ -	\$ 40,062	\$ (662)
Judicial						
Personal services	128,777	128,777	130,721	-	130,721	(1,944)
Other services and charges	14,185	14,185	14,594	-	14,594	(409)
Executive						
Personal services	58,074	58,074	58,477	-	58,477	(403)
Administrative						
Personal services	315,233	319,562	278,025	-	278,025	41,537
Supplies	11,900	11,900	9,414	-	9,414	2,486
Other services and charges	233,800	233,800	218,256	-	218,256	15,544
Total general government	<u>801,369</u>	<u>805,698</u>	<u>749,549</u>	<u>-</u>	<u>749,549</u>	<u>56,149</u>
Public safety						
Police						
Personal services	1,559,329	1,575,261	1,438,216	-	1,438,216	137,045
Supplies	100,200	100,200	69,438	-	69,438	30,762
Other services and charges	221,550	221,550	215,727	(10,653) (1)	205,074	16,476
Protective inspection						
Other services and charges	56,441	56,973	55,379	-	55,379	1,594
Total public safety	<u>1,937,520</u>	<u>1,953,984</u>	<u>1,778,760</u>	<u>(10,653)</u>	<u>1,768,107</u>	<u>185,877</u>
Roads and drainage						
Personal services	652,963	660,923	641,513	-	641,513	19,410
Supplies	174,700	174,700	63,188	-	63,188	111,512
Other services and charges	744,200	754,200	668,483	-	668,483	85,717
Total roads and drainage	<u>1,571,863</u>	<u>1,589,823</u>	<u>1,373,184</u>	<u>-</u>	<u>1,373,184</u>	<u>216,639</u>

Explanation of differences:

(1) Encumbrances

CITY OF PORT ALLEN, LOUISIANA*Schedule of Expenditures and Other Financing*

Year Ended June 30, 2021

*Uses - Budget and Actual**General Fund, Continued*

	Original Budget	Revised Budget	Actual Basis	Adjustment To Budget Basis	Actual (Budgetary Basis)	Variance - Favorable (Unfavorable)
Depot Welcome Center						
Supplies	2,100	2,100	50	-	50	2,050
Other services and charges	16,000	16,000	5,684	-	5,684	10,316
Total depot welcome center	18,100	18,100	5,734	-	5,734	12,366
Sanitation						
Other services and charges	556,000	556,000	567,754	-	567,754	(11,754)
Animal control						
Other services and charges	66,000	66,000	87,516	-	87,516	(21,516)
Community development						
Personal services	78,671	79,704	73,466	-	73,466	6,238
Other services and charges	264,500	264,500	280,387	(61,380) (1)	219,007	45,493
Total community development	343,171	344,204	353,853	(61,380)	292,473	51,731
Fleet maintenance						
Personal services	118,823	120,352	121,703	-	121,703	(1,351)
Supplies	5,500	5,500	7,463	-	7,463	(1,963)
Other services and charges	7,565	7,565	10,978	-	10,978	(3,413)
Total fleet maintenance	131,888	133,417	140,144	-	140,144	(6,727)
Total current expenditures	5,425,911	5,467,226	5,056,494	(72,033)	4,984,461	482,765
Capital Outlay						
General government	-	6,000	4,161	-	4,161	1,839
Police	-	52,000	50,401	-	50,401	1,599
Roads and drainage	11,100	13,800	37,657	-	37,657	(23,857)
Fleet maintenance	42,697	42,697	34,897	-	34,897	7,800
Total capital outlay expenditures	53,797	114,497	127,116	-	127,116	(12,619)
Total Expenditures	\$ 5,479,708	\$ 5,581,723	\$ 5,183,610	\$ (72,033)	\$ 5,111,577	\$ 470,146

Explanation of differences:

(1) Encumbrances

CITY OF PORT ALLEN, LOUISIANA

*Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Low Income Housing Fund*

Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual	Adjustment To Budget Basis	Actual (Budgetary Basis)	Variance - Favorable (Unfavorable)
Revenues						
Intergovernmental	\$ 629,000	\$ 679,000	\$ 642,768	\$ 2,449 (1)	\$ 645,217	\$ (33,783)
Investment earnings	-	-	127	-	127	127
Total revenues	629,000	679,000	642,895	2,449	645,344	(33,656)
Expenditures						
Current						
Housing assistance payments	629,000	664,000	663,721	-	663,721	279
Total expenditures	629,000	664,000	663,721	-	663,721	279
Excess (Deficiency) of Revenues Over Expenditures	-	15,000	(20,826)	2,449	(18,377)	(35,826)
Other Financing Sources (Uses)						
Operating transfers out	-	-	(4,725)	-	-	(4,725)
Total other financing sources (uses)	-	-	(4,725)	-	-	(4,725)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ 15,000	(25,551)			\$ (40,551)
Fund Balance						
Beginning			62,312			
Ending			\$ 36,761			

Explanation of differences:

(1) Revenues are budgeted on the cash basis; adjustment made for GAAP conversion journal entry

CITY OF PORT ALLEN, LOUISIANA**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Municipal Complex Debt Service Fund**

Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues				
Investment earnings	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	3
Expenditures				
Debt service				
Principal	160,000	160,000	165,000	(5,000)
Interest and other charges	83,925	83,925	69,950	13,975
Total expenditures	243,925	243,925	234,950	8,975
Excess (Deficiency) of Revenues Over Expenditures	(243,925)	(243,925)	(234,947)	8,978
Other Financing Sources (Uses)				
Operating transfers in	243,925	243,925	239,949	(3,976)
Total other financing sources (uses)	243,925	243,925	239,949	(3,976)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	5,002	\$ 5,002
Fund Balance				
Beginning			288,081	
Ending			<u>\$ 293,083</u>	

CITY OF PORT ALLEN, LOUISIANA

Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ended June 30, 2021

	2018	2019	2019	2021
Total OPEB Liability				
Service cost	\$ 32,288	\$ 29,610	\$ 45,752	\$ 12,420
Interest	49,170	51,657	53,823	27,476
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	753	97,474	(795,135)	44,298
Changes of assumptions	(52,794)	69,540	457,795	9,110
Benefit payments	(50,579)	(53,361)	(40,114)	(42,320)
Net Change in total OPEB liability	(21,162)	194,920	(277,879)	50,984
Total OPEB liability - beginning	1,341,169	1,320,007	1,514,927	1,237,048
Total OPEB liability - ending	\$ 1,320,007	\$ 1,514,927	\$ 1,237,048	\$ 1,288,032
Covered-employee payroll	\$ 2,478,512	\$ 2,552,867	\$ 2,516,963	\$ 2,592,472
Net OPEB liability as a percentage of covered-employee payroll	53.26%	59.34%	49.15%	49.68%
Notes to Schedule:				
Benefit Changes:	None	None	None	None
Changes of Assumptions:				
Discount Rate:	3.87%	3.50%	2.21%	2.16%
Mortality:	RP-2000	RP-2000	RP-2014	RP-2014
Trend:	5.50%	5.50%	Variable	Variable

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

CITY OF PORT ALLEN, LOUISIANA*Schedule of Employer's Proportionate Share of the Net Pension Liability**Year Ended June 30, 2021*

Fiscal Year*	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered-Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
<u>MERS:</u>					
2021	0.8378%	\$ 3,622,109	\$ 1,587,425	228.18%	64.52%
2020	0.8985%	\$ 3,754,343	\$ 1,642,564	228.57%	64.68%
2019	0.8261%	\$ 3,420,800	\$ 1,642,564	208.26%	65.60%
2018	0.8436%	\$ 3,529,114	\$ 1,522,191	231.84%	62.49%
2017	0.7310%	\$ 3,216,663	\$ 1,389,278	231.53%	63.34%
2016	0.8579%	\$ 3,064,467	\$ 1,445,919	211.94%	66.18%
2015	0.8872%	\$ 2,277,039	\$ 1,358,443	167.62%	73.99%
2014	0.8452%	\$ 2,619,595	\$ 1,385,941	189.01%	76.94%
<u>MPERS:</u>					
2021	0.2693%	\$ 2,489,034	\$ 831,816	299.23%	70.94%
2020	0.3055%	\$ 2,774,297	\$ 931,120	297.95%	71.01%
2019	0.3054%	\$ 2,581,667	\$ 931,120	277.26%	71.89%
2018	0.3119%	\$ 2,723,255	\$ 942,977	288.79%	70.08%
2017	0.3303%	\$ 3,095,551	\$ 925,154	334.60%	66.04%
2016	0.3203%	\$ 2,508,989	\$ 856,704	292.87%	70.73%
2015	0.3122%	\$ 1,953,311	\$ 783,023	249.46%	75.10%
2014	0.2527%	\$ 2,018,469	\$ 730,526	276.30%	66.71%
<u>LASERS:</u>					
2021	0.0014%	\$ 119,180	\$ 28,508	418.06%	72.80%
2020	0.0015%	\$ 108,167	\$ -	0.00%	58.00%
2019	0.0000%	\$ -	\$ -	0.00%	64.30%
2018	0.0000%	\$ -	\$ -	0.00%	63.70%
2017	0.0000%	\$ -	\$ 19,846	0.00%	62.61%
2016	0.0015%	\$ 104,607	\$ 28,508	366.94%	62.66%
2015	0.0016%	\$ 99,108	\$ 28,506	347.66%	65.02%
2014	0.0016%	\$ 116,700	\$ 26,316	443.46%	58.64%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

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

CITY OF PORT ALLEN, LOUISIANA

Schedule of Employer's Pension Contributions

Year Ended June 30, 2021

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered-Employee Payroll	Contributions as a Percentage of Covered' Employee Payroll
<u>MERS:</u>					
2021	\$ 464,048	\$ 464,048	\$ -	\$ 1,572,878	29.50%
2020	\$ 440,510	\$ 440,510	\$ -	\$ 1,587,425	27.75%
2019	\$ 427,066	\$ 427,066	\$ -	\$ 1,642,564	26.00%
2018	\$ 370,294	\$ 370,294	\$ -	\$ 1,496,137	24.75%
2017	\$ 346,299	\$ 346,299	\$ -	\$ 1,522,191	22.75%
2016	\$ 274,382	\$ 274,382	\$ -	\$ 1,389,278	19.75%
2015	\$ 285,569	\$ 285,569	\$ -	\$ 1,445,919	19.75%
2014	\$ 254,708	\$ 254,708	\$ -	\$ 1,358,443	18.75%
2013	\$ 235,610	\$ 235,610	\$ -	\$ 1,385,941	17.00%
2012	\$ 246,530	\$ 246,530	\$ -	\$ 1,471,821	16.75%
<u>MPERS:</u>					
2021	\$ 275,542	\$ 266,041	\$ 9,501	\$ 816,421	32.59%
2020	\$ 270,340	\$ 270,340	\$ -	\$ 831,816	32.50%
2019	\$ 300,287	\$ 300,287	\$ -	\$ 931,120	32.25%
2018	\$ 286,133	\$ 286,133	\$ -	\$ 901,206	31.75%
2017	\$ 299,395	\$ 299,395	\$ -	\$ 942,977	31.75%
2016	\$ 272,921	\$ 272,921	\$ -	\$ 925,154	29.50%
2015	\$ 269,862	\$ 269,862	\$ -	\$ 856,704	31.50%
2014	\$ 242,737	\$ 242,737	\$ -	\$ 783,023	31.00%
2013	\$ 226,463	\$ 226,463	\$ -	\$ 730,526	31.00%
2012	\$ 206,164	\$ 206,164	\$ -	\$ 687,213	30.00%
<u>LASERS:</u>					
2021	\$ 12,101	\$ 12,101	\$ -	\$ 28,509	42.45%
2020	\$ 12,087	\$ 12,087	\$ -	\$ 28,508	42.40%
2019	\$ 5,766	\$ 5,766	\$ -	\$ 14,254	40.10%
2018	\$ -	\$ -	\$ -	\$ -	40.10%
2017	\$ -	\$ -	\$ -	\$ -	38.10%
2016	\$ 7,561	\$ 7,561	\$ -	\$ 19,846	38.10%
2015	\$ 11,831	\$ 11,831	\$ -	\$ 28,508	41.50%
2014	\$ 10,348	\$ 10,348	\$ -	\$ 28,506	36.30%
2013	\$ 9,158	\$ 9,158	\$ -	\$ 26,316	34.80%
2012	\$ 8,368	\$ 8,368	\$ -	\$ 26,314	31.80%

CITY OF PORT ALLEN, LOUISIANA

*Notes to Required Supplementary Schedules
Schedule of Employer's Proportionate Share of the
Net Pension Liability and Schedule of Employer's
Pension Contributions*

For the Year Ended June 30, 2021

LASERS, MERS, MPERS

Changes of Benefit Terms or Assumptions

There were no changes of benefit terms or assumptions for the year ended June 30, 2021.

Other Changes in Assumptions

There were changes in assumptions related to inflation, salary increases, discount rate, mortality and disability rates and other actuarial assumptions, however none of those changes affected benefit terms or assumptions for the year ended June 30, 2021.

CITY OF PORT ALLEN, LOUISIANA

Other Supplementary Information

June 30, 2021

CITY OF PORT ALLEN, LOUISIANA

Schedule of Compensation Paid to City Council

Year Ended June 30, 2021

Council Member

Brandon Brown	\$ 12,416
Charlene Gordon	5,736
Garry Hubble	12,000
Clerice Lacy	5,736
Ray Helen Lawrence	6,733
Hugh Riviere	12,000
Carey Williams	6,263
	<u>\$ 60,884</u>

CITY OF PORT ALLEN, LOUISIANA

Schedule of Compensation Paid to Mayor

Year Ended June 30, 2021

Agency Head Name: Mayor Richard Lee

Purpose

Salary	\$	85,194
Benefits - retirement		24,892
Car allowance		4,833
Special Meals (Mayors meetings)		175
	\$	<u>115,094</u>

CITY OF PORT ALLEN, LOUISIANA***Justice System Funding Schedule - Receiving Entity******Year Ended June 30, 2021***

Cash Basis Presentation	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Receipts From:		
City Court of Port Allen, Criminal Court Costs/Fees	22,994	24,720

CITY OF PORT ALLEN, LOUISIANA

Schedule of Insurance in Force

Year Ended June 30, 2021

Western Surety Co	Fidelity Bond - Mayor - R. Lee	\$50,000 employee faithful performance bond	6/30/2020-6/30/2021
Iberville Insurance Agency	Fidelity Bond - Ray Helen Lawrence	\$50,000 employee faithful performance bond	1/31/2017-1/31/2021
Iberville Insurance Agency	Fidelity Bond - Police Chief - E. Brown	\$50,000 employee faithful performance bond	1/31/2017-1/31/2021
Western Surety Co	Fidelity Bond - Finance Director - A. McCain	\$50,000 employee faithful performance bond	6/30/2020-6/30/2021
Western Surety Co	Fidelity Bond - Chief Admn Officer - L. Joseph	\$50,000 employee faithful performance bond	6/30/2020-6/30/2021
Travelers Casualty and Surety Company of	Fidelity Bond - Brandon Brown	\$50,000 employee faithful performance bond	1/1/2021-1/1/2025
Travelers Casualty and Surety Company of	Fidelity Bond - Municipal Clerk - R. Roche'	\$50,000 employee faithful performance bond	1/1/2021-1/1/2025
Travelers Casualty and Surety Company of	Fidelity Bond - Police Chief - C. Hicks	\$50,000 employee faithful performance bond	1/1/2021-1/1/2025
Louisiana Municipal Risk Management Agency	Workers Compensation	Statutory	7/1/2020-6/30/2021
Rod Prejean & Associates	Auto physical damage	ACV with a \$250 comprehensive deductible and a \$500 collision deductible	7/1/2020-6/30/2021
EMC Insurance Co	Business Protection - Inland Marine	\$256,000 maximum w/ \$1,000 deductible	7/1/2020-6/30/2021
EMC Insurance Co	Business Protection - Property	DPW buildings \$293,800; contents \$457,000; WWTP buildings \$47,200, contents \$18,000; Water Well buildings \$94,200; Depot building, \$82,700, City Court contents \$5,000; City Hall building \$2,500,000, contents \$90,000; 90% co-insurance. \$1,000 deductible per occurrence on all covered losses except 5% on windstorm or hail.	7/1/2020-6/30/2021
Louisiana Municipal Risk Management Agency	Auto & Commercial General liability, Errors and Omissions, Law Enforcement Officer	All risks \$500,000 Combined Single Limit	7/1/2020-6/30/2021

CITY OF PORT ALLEN, LOUISIANA***Schedule of Statistical Data******Year Ended June 30, 2021***

Number of sewer customers for the year ended June 30, 2021	2,465
User fee in effect at June 30, 2021:	
First 2,000 gallons of water used	20.40
Every 1,000 gallons of water in excess of 2,000 gallons	3.55
Total sewer revenue	1,027,233
Average monthly bill per user	34.73

**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***

To the Honorable Mayor and Members of the City Council
City of Port Allen, Louisiana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of the City of Port Allen, 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 Port Allen, Louisiana's basic financial statements, and have issued our report thereon dated December 8, 2021.

Internal Control Over Financial Reporting

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

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

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

schedule of findings and responses as items 2021-001, 2021-002, and 2021-003 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Port Allen's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 responses as items 2021-004.

City of Port Allen's Response to Findings

City of Port Allen's response to the findings identified in our audit are described in the accompanying *Schedule of Findings and Responses*. City of Port Allen'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.

PROVOST, SALTER, HARPER & ALFORD, LLC



Baton Rouge, Louisiana
December 8, 2021

CITY OF PORT ALLEN, LOUISIANA

Schedule of Findings and Responses

Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements.

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>Yes</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>No</u>
Noncompliance material to financial statements noted?	<u>Yes</u>

CITY OF PORT ALLEN, LOUISIANA

Schedule of Findings and Responses, Continued

Year Ended June 30, 2021

Section II – Financial Statement Findings

Internal Control Findings

Item 2021-001 Journal Entry Approval

Criteria. Someone independent of the individual who prepares journal entries should be responsible for approving them.

Condition. Not all journal entries were approved by a person independent of preparing these entries.

Effect. Improper journal entries could be recorded and not corrected in a timely manner.

Cause. Journal entries were not timely presented to an individual independent of preparing journal entries, thus there were many journal entries not independently approved in the audit period.

Recommendation. Journal entries should be timely submitted to an individual independent of preparing journal entries for review.

Management's Response. The City's policy has been changed and implemented to require the Assistant CFO to review and approve journal entries on a monthly basis and bring any concerns directly to the Mayor or the Chairman of the City's Finance Committee.

Item 2021-002 Bank Account Reconciliation

Criteria. Someone independent of the individual who prepares the bank reconciliations should be responsible for reviewing them and funds' claim on pooled cash should be reconciled to the system's pooled cash control account.

Condition. Not all months of bank reconciliations were reviewed by an independent person who does not handle cash, post ledgers, or prepare checks. Further, the City uses functionality within its accounting system that facilitates the use of a "Pooled Cash" control account coordinated with claims on pooled cash within the General, Water & Gas, and Sewer Funds. While the City balances to the control account, the reconciliation process failed to reconcile all the claim on pooled cash within each fund to the control account.

CITY OF PORT ALLEN, LOUISIANA

Schedule of Findings and Responses, Continued

Year Ended June 30, 2021

Effect. If monthly reconciliations do not include the reconciliation to the claim on pooled cash accounts in each fund to the corresponding control account and is not independently reviewed by someone other than the person preparing them, errors may not be identified and corrected in a timely manner.

Cause. Bank reconciliations did not include the reconciliation to the claim on pooled cash accounts in each fund to the corresponding control account or provided timely to an individual independent of handling cash, posting ledgers, or preparing checks, thus there were many bank reconciliations not independently approved in the audit period and the sum of the claim on pooled cash in each fund did not reconcile to the control account.

Recommendation. Bank reconciliations should be prepared and approved within one month, and the reconciliation process should be modified to ensure that the claim on pooled cash in each fund reconciles to the control account.

Management's Response. The City's policy has been changed and implemented to require the Assistant CFO to review and approve bank account reconciliations on a monthly basis and bring any concerns directly to the Mayor or to the Chairman of the City's Finance Committee.

Item 2021-003 Retirement Contributions

Criteria. Retirement contributions should accurately be contributed to the plan based on payroll information for the pay periods being remitted.

Condition. The City does not have an adequate control in place to ensure that payments to the retirement systems are consistent with applicable payroll records for withholding and employer contributions.

Effect. Contributions to the plan are not accurate and the City holds these funds in cash.

Cause. One month's remittance to MPERS was based on the previous month's payroll, thus the incorrect amount was paid to the retirement system and allocated to each employee's record.

Recommendation. The City should evaluate its process of processing employee and employer contributions to the various retirement systems and establish controls to ensure that payments to the retirements systems are consistent with amounts computed within the payroll accounting system.

CITY OF PORT ALLEN, LOUISIANA

Schedule of Findings and Responses, Continued

Year Ended June 30, 2021

Management's Response. The City's policy has been changed and implemented to require the Assistant CFO to review to ensure accuracy of schedules before payment is sent to the retirement systems each month.

Compliance Findings

Item 2021-004 Utility Department Past Due Receivables

Criteria. Accounts that become delinquent as defined in Ordinance 86-3 should be shut off water and gas services to the affected premises until all such charges for utilities, including late payments, has been paid in full.

Condition. Management suspended the disconnection of utilities for delinquent accounts and reached agreements with customers to make payments as they can to become current on their bill.

Effect. Certain accounts that were past due were not disconnected in accordance with Ordinance 86-3.

Cause. Certain accounts have been allowed to be past due without their services being disconnected.

Recommendation. City ordinances should be followed at all times unless board approval is obtained.

Management's Response. The City intends to update the city's ordinance to be in line with the current policy that any account with a past due balance shall be cutoff beginning on the 10th of the following month and concluding within 10 days.

Section III – Independent Auditor's Comments on Resolution of Prior Audit Findings

RefNo.	Fiscal Year Finding Initially Occurred	Description of Finding	Status of the Finding	Current Year Finding RefNo.
2020-001	2020	Review of Utility Billing Computations	Resolved	N/A