

CITY OF OPELOUSAS, LOUISIANA

Financial Report

Year Ended August 31, 2021

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

The Honorable Julius Alsandor, Mayor
and Members of the City Council
City of Opelousas, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opelousas, Louisiana, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Opelousas, Louisiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opelousas, Louisiana, as of August 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 54 - 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Opelousas, Louisiana's basic financial statements. The combining statements and the justice system funding schedule included in other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2022, on our consideration of the City of Opelousas, Louisiana’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Opelousas, Louisiana’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Opelousas, Louisiana’s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
February 17, 2022

BASIC FINANCIAL STATEMENTS

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Net Position
August 31, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	\$ 5,942,182	\$ 212,716	\$ 6,154,898
Receivables, net	225,665	1,534,656	1,760,321
Internal balances	4,000,516	(4,000,516)	-
Due from other governmental units	584,345	263,554	847,899
Inventory	64,894	57,449	122,343
Prepaid items	20,575	6,248	26,823
Restricted assets:			
Cash and interest-bearing deposits	222,247	2,046,510	2,268,757
Investments	-	500,045	500,045
Capital assets:			
Land and construction in progress	1,973,753	537,909	2,511,662
Capital assets, net	<u>15,353,690</u>	<u>18,984,403</u>	<u>34,338,093</u>
Total assets	<u>28,387,867</u>	<u>20,142,974</u>	<u>48,530,841</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	<u>2,570,567</u>	<u>87,243</u>	<u>2,657,810</u>
LIABILITIES			
Accounts payable and accrued expenses	1,295,153	723,600	2,018,753
Interest payable	20,774	-	20,774
Due to other government units	247,025	-	247,025
Claims payable	1,576,070	-	1,576,070
Customers' meter deposits	-	632,011	632,011
Taxes paid under protest	3,197	-	3,197
Advances from grantors	3,442,361	-	3,442,361
Long-term liabilities:			
Compensated absences payable	1,333,160	41,929	1,375,089
Bonds, notes, and leases due within one year	712,293	1,003,000	1,715,293
Bonds, notes, and leases due after one year	4,813,322	6,946,554	11,759,876
Net pension liability	<u>12,101,534</u>	<u>1,299,480</u>	<u>13,401,014</u>
Total liabilities	<u>25,544,889</u>	<u>10,646,574</u>	<u>36,191,463</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	<u>7,610,053</u>	<u>437,857</u>	<u>8,047,910</u>
NET POSITION			
Net investment in capital assets	11,815,921	19,258,758	31,074,679
Restricted for:			
Insurance claims	463,336	-	463,336
Sales tax dedications	2,072,998	-	2,072,998
Debt service	39,660	1,311,162	1,350,822
Construction	-	142,371	142,371
Grant provisions	3,442,361	270,733	3,713,094
Unrestricted	<u>(20,030,784)</u>	<u>(11,837,238)</u>	<u>(31,868,022)</u>
Total net position	<u>\$ (2,196,508)</u>	<u>\$ 9,145,786</u>	<u>\$ 6,949,278</u>

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Activities
For the Year Ended August 31, 2021

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 2,903,810	\$ -	\$ 619,685	\$ -	\$ (2,284,125)	\$ -	\$ (2,284,125)
Public safety	9,130,974	99,289	785,892	-	(8,245,793)	-	(8,245,793)
Public works	2,138,346	13,210	-	124,630	(2,000,506)	-	(2,000,506)
Health & welfare	431,479	184,370	-	-	(247,109)	-	(247,109)
Culture and recreation	1,335,745	82,169	11,725	-	(1,241,851)	-	(1,241,851)
Economic development	105,893	-	-	-	(105,893)	-	(105,893)
Insurance claims and costs	727,162	-	-	-	(727,162)	-	(727,162)
Interest and fees on debt	145,345	-	1,500	-	(143,845)	-	(143,845)
Total governmental activities	<u>16,918,754</u>	<u>379,038</u>	<u>1,418,802</u>	<u>124,630</u>	<u>(14,996,284)</u>	<u>-</u>	<u>(14,996,284)</u>
Business-type activities:							
Electric Light and Waterworks	3,463,450	6,031,963	-	28,320	-	2,596,833	2,596,833
Sewer	1,748,034	1,788,233	-	183,861	-	224,060	224,060
ORECD	33	-	-	-	-	(33)	(33)
Total business-type activities	<u>5,211,517</u>	<u>7,820,196</u>	<u>-</u>	<u>212,181</u>	<u>-</u>	<u>2,820,860</u>	<u>2,820,860</u>
Total	<u>\$ 22,130,271</u>	<u>\$ 8,199,234</u>	<u>\$ 1,418,802</u>	<u>\$ 336,811</u>	<u>\$ (14,996,284)</u>	<u>\$ 2,820,860</u>	<u>\$ (12,175,424)</u>
General revenues:							
Taxes -							
Ad valorem taxes, levied for general purposes					1,096,171	-	1,096,171
Sales and use taxes, levied for general purposes					11,276,043	-	11,276,043
Franchise taxes					988,368	-	988,368
Hotel/motel taxes					183,345	-	183,345
Interest and investment earnings					19,448	22,774	42,222
Occupational licenses and other permits					943,799	-	943,799
Racino income					131,046	-	131,046
Video poker revenue					38,288	-	38,288
State beer tax					37,922	-	37,922
Nonemployer pension contribution					591,570	26,750	618,320
Miscellaneous					352,860	11,610	364,470
Transfers					<u>3,885,815</u>	<u>(3,885,815)</u>	<u>-</u>
Total general revenues and transfers					<u>19,544,675</u>	<u>(3,824,681)</u>	<u>15,719,994</u>
Change in net position					4,548,391	(1,003,821)	3,544,570
Net position - beginning					(6,744,899)	10,149,607	3,404,708
Net position - ending					<u>\$ (2,196,508)</u>	<u>\$ 9,145,786</u>	<u>\$ 6,949,278</u>

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

FUND FINANCIAL STATEMENTS (FFS)

CITY OF OPELOUSAS, LOUISIANA

Balance Sheet
 Governmental Funds
 August 31, 2021

	General	Sales Tax Special Revenue	Other Governmental	Total
ASSETS				
Cash and cash equivalents	\$ 3,459,472	\$ 1,375,403	\$ 63,751	\$ 4,898,626
Receivables	224,601	-	-	224,601
Due from other funds	5,678,368	700,000	20,626	6,398,994
Due from other governmental units	581,686	-	2,659	584,345
Inventory	64,894	-	-	64,894
Prepaid expense	3,124	-	-	3,124
Restricted assets:				
Interest-bearing deposits	222,247	-	-	222,247
Total assets	<u>\$ 10,234,392</u>	<u>\$ 2,075,403</u>	<u>\$ 87,036</u>	<u>\$ 12,396,831</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,244,340	\$ 2,405	\$ -	\$ 1,246,745
Advances from grantors	3,442,361	-	-	3,442,361
Taxes paid under protest	3,197	-	-	3,197
Due to other funds	683,059	-	2,606	685,665
Due to other governmental units	247,025	-	-	247,025
Total liabilities	<u>5,619,982</u>	<u>2,405</u>	<u>2,606</u>	<u>5,624,993</u>
Deferred inflows of resources:				
Unavailable revenue	74,303	-	-	74,303
Fund balances:				
Nonspendable	68,018	-	-	68,018
Restricted - debt service	-	-	39,660	39,660
Restricted - sales tax dedications	-	2,072,998	-	2,072,998
Restricted - grant provisions	3,442,361	-	-	3,442,361
Assigned - capital expenditures	-	-	288	288
Assigned - health and welfare	-	-	11,481	11,481
Assigned - public safety	-	-	33,001	33,001
Unassigned	1,029,728	-	-	1,029,728
Total fund balances	<u>4,540,107</u>	<u>2,072,998</u>	<u>84,430</u>	<u>6,697,535</u>
Total liabilities and fund balances	<u>\$ 10,234,392</u>	<u>\$ 2,075,403</u>	<u>\$ 87,036</u>	<u>\$ 12,396,831</u>

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

CITY OF OPELOUSAS, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
August 31, 2021

Total fund balances for governmental funds at August 31, 2021		\$ 6,697,535
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Construction in progress	\$ 137,224	
Land	1,836,529	
Buildings, net of \$4,793,965 accumulated depreciation	4,150,536	
Improvements other than buildings, net of \$12,004,906 accumulated depreciation	6,822,889	
Equipment and machinery, net of \$5,903,117 accumulated depreciation	<u>4,380,265</u>	17,327,443
The deferred outflows of contributions to retirement systems are not a use of current resources, and therefore, are not reported in the funds.		2,570,567
Some liabilities are not due and payable from current financial resources and are, therefore not reported in the funds. These liabilities consist of the following:		
Capital lease payable	(3,013,615)	
Bonds payable	(2,512,000)	
Compensated absences	(1,333,160)	
Interest payable	(20,774)	
Net pension liability	<u>(12,101,534)</u>	(18,981,083)
The deferred inflows of contributions to the retirement systems are not payable from available resources and, therefore, are not reported in the funds.		(7,610,053)
Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred inflows at the fund level.		
Unavailable revenue - delinquent ad valorem taxes		74,303
Net position of the group self-insurance internal service funds		<u>(2,275,220)</u>
Total net position of governmental activities at August 31, 2021		<u>\$ (2,196,508)</u>

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended August 31, 2021

	General	Sales Tax Special Revenue	Other Governmental	Total
Revenues:				
Taxes	\$ 2,231,177	\$ 11,276,043	\$ -	\$ 13,507,220
Licenses and permits	943,799	-	-	943,799
Intergovernmental	1,877,317	-	19,307	1,896,624
Charges for services	201,856	-	-	201,856
Fines and forfeits	49,513	-	-	49,513
Investment earnings	11,350	6,369	467	18,186
Other	328,853	-	-	328,853
Total revenues	<u>5,643,865</u>	<u>11,282,412</u>	<u>19,774</u>	<u>16,946,051</u>
Expenditures:				
Current -				
General government	2,719,584	362,144	-	3,081,728
Public safety	10,187,484	-	2,676	10,190,160
Public works	1,809,421	-	-	1,809,421
Health and welfare	488,825	-	-	488,825
Culture and recreation	1,344,862	-	-	1,344,862
Economic development	117,378	-	-	117,378
Capital outlay	2,259,793	-	-	2,259,793
Debt service -				
Principal retirement	250,548	-	-	250,548
Interest and fiscal charges	147,886	-	-	147,886
Total expenditures	<u>19,325,781</u>	<u>362,144</u>	<u>2,676</u>	<u>19,690,601</u>
Excess (deficiency) of revenues over expenditures	<u>(13,681,916)</u>	<u>10,920,268</u>	<u>17,098</u>	<u>(2,744,550)</u>
Other financing sources (uses):				
Proceeds from capital lease	1,905,233	-	-	1,905,233
Sale of capital assets	2,700	-	-	2,700
Transfers in	16,759,278	-	288	16,759,566
Transfers out	(3,971,237)	(11,073,482)	-	(15,044,719)
Total other financing sources (uses)	<u>14,695,974</u>	<u>(11,073,482)</u>	<u>288</u>	<u>3,622,780</u>
Net changes in fund balances	1,014,058	(153,214)	17,386	878,230
Fund balances, beginning	<u>3,526,049</u>	<u>2,226,212</u>	<u>67,044</u>	<u>5,819,305</u>
Fund balances, ending	<u>\$ 4,540,107</u>	<u>\$ 2,072,998</u>	<u>\$ 84,430</u>	<u>\$ 6,697,535</u>

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

CITY OF OPELOUSAS, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended August 31, 2021

Total net changes in fund balances for the year ended August 31, 2021 per the statement of revenues, expenditures and changes in fund balances \$ 878,230

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

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

Capital outlay which is considered expenditures on the statement of revenues, expenditures and changes in fund balances	\$ 2,234,713	
Depreciation expense for the year ended August 31, 2021	<u>(1,019,743)</u>	1,214,970

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

Proceeds from issuance of debt received	(1,905,233)	
Repayment of long-term debt	<u>250,548</u>	(1,654,685)

Some long-term liabilities are not recognized at the fund level because they do not represent a claim on current financial resources. Expenses at the government-wide level are recognized when these liabilities are incurred, while expenditures are recognized at the fund level when cash payments are made. The amounts below represent the difference between the expenses incurred at the government-wide level and the current financial resources expended at the fund level.

Compensated absences	4,152	
Interest payable	2,541	
Net pension liability	<u>2,618,368</u>	2,625,061

Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred inflows of resources at the fund level.

Net change in unavailable revenues - delinquent ad valorem taxes		39,747
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The net results of current year operations of internal service funds		<u>1,445,068</u>
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Total changes in net position for the year ended August 31, 2021 per the Statement of Activities		<u>\$4,548,391</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF OPELOUSAS, LOUISIANA

Statement of Net Position - Proprietary Funds
August 31, 2021

	Business -Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds	Total Enterprise Funds	
ASSETS					
Current assets:					
Cash and interest-bearing deposits	\$ 776	\$ -	\$ 211,940	\$ 212,716	\$ 1,043,556
Receivables, net					
Customers	619,401	641,049	-	1,260,450	-
Notes	-	-	58,796	58,796	-
Other	215,410	-	-	215,410	1,064
Due from other governmental units	-	263,554	-	263,554	-
Due from other funds	1,837,339	50,420	-	1,887,759	423,790
Inventories	57,019	430	-	57,449	-
Prepaid items	3,124	3,124	-	6,248	17,451
Total current assets	<u>2,733,069</u>	<u>958,577</u>	<u>270,736</u>	<u>3,962,382</u>	<u>1,485,861</u>
Noncurrent assets:					
Restricted assets -					
Cash and interest-bearing deposits	2,046,510	-	-	2,046,510	-
Investments	500,045	-	-	500,045	-
Capital assets, net of accumulated depreciation	8,923,478	10,598,834	-	19,522,312	-
Total noncurrent assets	<u>11,470,033</u>	<u>10,598,834</u>	<u>-</u>	<u>22,068,867</u>	<u>-</u>
Total assets	<u>14,203,102</u>	<u>11,557,411</u>	<u>270,736</u>	<u>26,031,249</u>	<u>1,485,861</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pensions	65,812	21,431	-	87,243	-
LIABILITIES					
Current liabilities (payable from current assets):					
current assets)					
Accounts payable	391,768	268,771	-	660,539	48,408
Claims payable	-	-	-	-	1,576,070
Due to other funds	1,431,080	4,457,192	3	5,888,275	2,136,603
Total	<u>1,822,848</u>	<u>4,725,963</u>	<u>3</u>	<u>6,548,814</u>	<u>3,761,081</u>
Current liabilities (payable from restricted assets):					
restricted assets)					
Revenue bonds payable	1,003,000	-	-	1,003,000	-
Construction payable	63,061	-	-	63,061	-
Customers' meter deposits	632,011	-	-	632,011	-
Total	<u>1,698,072</u>	<u>-</u>	<u>-</u>	<u>1,698,072</u>	<u>-</u>
Total current liabilities	<u>3,520,920</u>	<u>4,725,963</u>	<u>3</u>	<u>8,246,886</u>	<u>3,761,081</u>
Noncurrent liabilities:					
Revenue bonds payable	6,683,000	263,554	-	6,946,554	-
Net pension liability	1,010,059	289,421	-	1,299,480	-
Compensated absences	23,131	18,798	-	41,929	-
Total noncurrent liabilities	<u>7,716,190</u>	<u>571,773</u>	<u>-</u>	<u>8,287,963</u>	<u>-</u>
Total liabilities	<u>11,237,110</u>	<u>5,297,736</u>	<u>3</u>	<u>16,534,849</u>	<u>3,761,081</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pensions	336,752	101,105	-	437,857	-
NET POSITION					
Net investment in capital assets	8,923,478	10,335,280	-	19,258,758	-
Restricted for:					
Insurance claims	-	-	-	-	463,336
Bond retirement	1,311,162	-	-	1,311,162	-
Construction	142,371	-	-	142,371	-
Grant provisions	-	-	270,733	270,733	-
Unrestricted	<u>(7,681,959)</u>	<u>(4,155,279)</u>	<u>-</u>	<u>(11,837,238)</u>	<u>(2,738,556)</u>
Total net position	<u>\$ 2,695,052</u>	<u>\$ 6,180,001</u>	<u>\$ 270,733</u>	<u>\$ 9,145,786</u>	<u>\$ (2,275,220)</u>

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended August 31, 2021

	Business -Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:					
Charges for services					
Utilities	\$ 5,678,211	\$ 1,728,473	\$ -	\$ 7,406,684	\$ -
Interest	-	-	1,791	1,791	-
Premiums	-	-	-	-	2,912,118
Other	18,919	59,760	-	78,679	51,731
Total operating revenues	<u>5,697,130</u>	<u>1,788,233</u>	<u>1,791</u>	<u>7,487,154</u>	<u>2,963,849</u>
Operating expenses:					
Personal services	799,510	261,245	-	1,060,755	-
Supplies and materials	440,209	77,759	33	518,001	-
Other services and charges	999,667	630,065	-	1,629,732	3,691,011
Repairs and maintenance	225,884	302,675	-	528,559	-
Depreciation	752,775	476,290	-	1,229,065	-
Total operating expenses	<u>3,218,045</u>	<u>1,748,034</u>	<u>33</u>	<u>4,966,112</u>	<u>3,691,011</u>
Operating income (loss)	<u>2,479,085</u>	<u>40,199</u>	<u>1,758</u>	<u>2,521,042</u>	<u>(727,162)</u>
Nonoperating revenues (expenses):					
Investment income	20,982	1	-	20,983	1,262
Cleco surcharge	334,833	-	-	334,833	-
Miscellaneous	11,610	-	-	11,610	-
Nonemployer pension contribution	20,737	6,013	-	26,750	-
Interest and fiscal charges	(245,405)	-	-	(245,405)	-
Total nonoperating revenues (expenses)	<u>142,757</u>	<u>6,014</u>	<u>-</u>	<u>148,771</u>	<u>1,262</u>
Income (loss) before contributions and transfers	2,621,842	46,213	1,758	2,669,813	(725,900)
Capital contributions	<u>28,320</u>	<u>183,861</u>	<u>-</u>	<u>212,181</u>	<u>-</u>
Income (loss) before transfers	<u>2,650,162</u>	<u>230,074</u>	<u>1,758</u>	<u>2,881,994</u>	<u>(725,900)</u>
Operating transfers in (out)					
Transfers in	1,713,764	275,000	-	1,988,764	2,170,968
Transfers out	(2,644,880)	(3,229,699)	-	(5,874,579)	-
Total operating transfers in (out)	<u>(931,116)</u>	<u>(2,954,699)</u>	<u>-</u>	<u>(3,885,815)</u>	<u>2,170,968</u>
Change in net position	1,719,046	(2,724,625)	1,758	(1,003,821)	1,445,068
Net position, beginning	<u>976,006</u>	<u>8,904,626</u>	<u>268,975</u>	<u>10,149,607</u>	<u>(3,720,288)</u>
Net position, ending	<u>\$ 2,695,052</u>	<u>\$ 6,180,001</u>	<u>\$ 270,733</u>	<u>\$ 9,145,786</u>	<u>\$ (2,275,220)</u>

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended August 31, 2021

	Business -Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds		
Cash flows from operating activities:					
Cash received from customers	\$ 5,700,561	\$ 1,756,437	\$ 1,791	\$ 7,458,789	\$ 2,911,054
Other receipts	-	-	-	-	51,731
General and administrative expenses paid	-	-	-	-	(92,954)
Cash payments to suppliers for goods and services	(1,410,395)	(1,219,914)	(33)	(2,630,342)	(2,017,791)
Insurance paid	-	-	-	-	(1,497,846)
Cash payments to employees for services	(992,766)	(302,454)	-	(1,295,220)	-
Net cash provided (used) by operating activities	<u>3,297,400</u>	<u>234,069</u>	<u>1,758</u>	<u>3,533,227</u>	<u>(645,806)</u>
Cash flows from noncapital financial activities:					
financing activities:					
Cash received from other funds	230,040	275,000	-	505,040	1,447,565
Cash paid to other funds	(2,339,498)	(417,309)	3	(2,756,804)	-
Surcharge and other	<u>375,231</u>	<u>-</u>	<u>-</u>	<u>375,231</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(1,734,227)</u>	<u>(142,309)</u>	<u>3</u>	<u>(1,876,533)</u>	<u>1,447,565</u>
Cash flows from capital and related financing activities:					
Net purchase of fixed assets	(428,753)	(328,208)	-	(756,961)	-
Net principal on revenue bonds paid	(340,000)	(183,860)	-	(523,860)	-
Proceeds from grants	28,320	420,307	-	448,627	-
Interest on revenue bonds paid	<u>(245,405)</u>	<u>-</u>	<u>-</u>	<u>(245,405)</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(985,838)</u>	<u>(91,761)</u>	<u>-</u>	<u>(1,077,599)</u>	<u>-</u>
Cash flows from investing activities					
Purchase of investments	(500,045)	-	-	(500,045)	-
Interest on investments	<u>20,982</u>	<u>1</u>	<u>-</u>	<u>20,983</u>	<u>1,262</u>
Net cash provided (used) by investing activities	<u>(479,063)</u>	<u>1</u>	<u>-</u>	<u>(479,062)</u>	<u>1,262</u>
Net increase in cash and cash equivalents	98,272	-	1,761	100,033	803,021
Cash and cash equivalents, beginning of period	<u>1,949,014</u>	<u>-</u>	<u>210,179</u>	<u>2,159,193</u>	<u>240,535</u>
Cash and cash equivalents, end of period	<u>\$ 2,047,286</u>	<u>\$ -</u>	<u>\$ 211,940</u>	<u>\$ 2,259,226</u>	<u>\$ 1,043,556</u>

(continued)

CITY OF OPELOUSAS, LOUISIANA

Statement of Cash Flows
 Proprietary Funds (Continued)
 For the Year Ended August 31, 2021

	Business -Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 2,479,085	\$ 40,199	\$ 1,758	\$ 2,521,042	\$ (727,162)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	752,775	476,290	-	1,229,065	-
Pension expense	(185,533)	(41,209)	-	(226,742)	-
Change in assets and liabilities:					
Increase in accounts receivable	(49,915)	(31,796)	-	(81,711)	(1,064)
Decrease in inventory	785	-	-	785	-
Increase in accounts payable	191,519	109,195	-	300,714	8,131
Increase (decrease) in construction payable	63,061	(318,610)	-	(255,549)	-
Increase in claims payable	-	-	-	-	74,289
Increase in customers' meter deposits	53,346	-	-	53,346	-
Increase (decrease) in accrued compensated absences	(7,723)	-	-	(7,723)	-
Net cash provided (used) by operating activities	<u>\$ 3,297,400</u>	<u>\$ 234,069</u>	<u>\$ 1,758</u>	<u>\$ 3,533,227</u>	<u>\$ (645,806)</u>

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The City of Opelousas, Louisiana, was incorporated under the provisions of the Lawrason Act and operates under the Mayor-City Council form of government.

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

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

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's government authority (Mayor and City Council) appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or whether the potential component unit is fiscally dependent on the primary government.
3. Financial benefit/burden relationship between the primary government and the potential component unit.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements

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

Major funds are determined as funds whose revenues, expenditure/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds for the same item or funds designated as major at the discretion of the City. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The City uses the following funds, grouped by fund type.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Governmental Funds -

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

General Fund

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

Special Revenue Funds

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

The Sales Tax Special Revenue Fund is used to account for the proceeds of two separate one percent sales taxes and 0.2 percent sales tax that are legally restricted to expenditures for specific purposes.

Capital Projects Funds

Capital Projects Funds are used to report resources that are restricted, committed, or assigned to expenditures for major capital acquisition and construction separately from ongoing operational activities. The City has no major capital projects funds.

Debt Service Funds

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proprietary Funds –

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

Enterprise Funds

Enterprise funds are proprietary funds that are used to report activities for which a fee is charged to external users. These funds account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the government body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City's major enterprise funds are as follows:

The Electric Light and Waterworks Fund accounts for the provision of electricity and water services to residents of the City of Opelousas, Louisiana. All activities necessary to provide such services are accounted for in this fund, including but not limited to, operations, construction, administration, maintenance, financing and related debt service, and billing and collection.

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

Internal Service Funds

Internal service funds are used to report activities which provide goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. The City includes services such as insurance benefits in these funds. All of the internal service funds' net position and activities are combined with the governmental activities in the government-wide financial statements. The City's internal services funds are the Internal Service Fund A, Internal Service Fund G, Workmen's Compensation Fund, and Health Self-Insurance Fund.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. The City considers reimbursement amounts received within one year as available. The City accrues intergovernmental revenue, ad valorem and sales tax revenue, franchise fees, charges for services, and investment income based upon this concept. Expenditures generally are recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded as expenditures when paid.

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

Cash, interest-bearing deposits, and investments

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States of America. The City may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana.

Additionally, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at fair value.

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

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes, franchise taxes, police fines, fees and rental payments. Business-type activities report customer's utility service receivables as the major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible customers' utility receivables was \$405,135 at August 31, 2021. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Interfund receivables and payables

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Inventory

Inventory is valued at cost and is recognized as an expenditure under the consumption method. Under this method, inventories are recorded as expenditures when they are used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond August 31, 2021 are recorded as prepaid items.

Restricted Assets

Restricted assets include cash, interest-bearing deposits, and investments of the general fund and proprietary fund that are legally restricted as to their use. The restricted assets in the utility fund are related to the utility meter deposits and revenue bond accounts.

Capital Assets

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

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

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

Buildings and improvements	20-60 years
Furniture and equipment	5-15 years
Vehicles	3-15 years
Water system	20-50 years
Sewerage system	20-50 years
Meters	10-20 years

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. Long-term debt consists primarily of the public improvement bonds payable, revenue bonds payable, capital leases payable, and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. For government-wide and fund reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures in the year of issuance. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The City allows employees to accumulate a maximum of one-third of vacation earned during a calendar year. Unused vacation in excess of one-third shall be automatically added to the employee's sick leave account. Employees are also allowed to accumulate all of the sick leave they earn during a calendar year. Upon termination or retirement, an employee shall be paid all of his accumulated vacation pay. Upon regular or disability retirement, employees shall be paid, or his beneficiary shall be paid upon employee's death, an amount equal to one-fourth day for each accumulated sick leave day at the regular hourly rate of pay not to exceed one hundred eighty days.

The employees of the Police Department have 365 days of sick leave a year. Each of these employees earns 144 hours of vacation each year. After ten years of service, field workers get an additional 12 hours each year and office personnel get an additional 8 hours each year not to exceed 240 hours.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

The employees of the Fire Department have 365 days of sick leave a year. Each of these employees earns 216 hours of vacation leave per year. After ten years of service these employees get an additional 24 hours each year not to exceed 240 hours. Employees who do not take any sick leave earn an additional 24 hours of vacation leave. Also, employees who do not have any injuries on the job during the year earn an additional 24 hours of vacation leave. Therefore, the maximum vacation an employee can earn is 360 hours. A maximum of one-third of unused vacation shall be accumulated per year.

In the fund financial statements, vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt.

Unearned Revenues

The City is the recipient of grants from various government agencies. In some instances, the grants are advance funded. The City records these grants as Advances from Grantors until the funds are expended in accordance with the grant terms.

Pensions

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category in the government-wide statement of net position, the deferred inflow of resources attributable to its pension plans. The City also reported deferred inflows of resources related to unavailable revenue in the General Fund at August 31, 2021.

Equity Classifications

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

- a. Net investment in capital assets consists of capital assets 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 external groups, such as creditors, grantors, contributors, laws or regulations of other governments; or law through constitutional provisions or enabling legislation. It is the City's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred. At August 31, 2021, the City reported \$7,742,621 of restricted net position, of which \$2,072,998 was restricted by enabling legislation.
- c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

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

- a. Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact. The City's nonspendable fund balance includes inventory and prepaid items.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

- b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.
- c. Committed includes fund balance amounts that can be used only for specific purposes that are internally imposed by the City through formal legislative action of the Mayor and City Council and does not lapse at year end. A committed fund balance constraint can only be established, modified or rescinded by passage of an Ordinance (Law) by the Mayor and City Council.
- d. Assigned includes fund balance amounts that are constrained by the City's intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the City Clerk and approval of a Resolution by the Mayor and City Council.
- e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

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

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

E. Revenues, Expenditures, and Expenses

Revenues

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

There are three classifications of programmatic revenues for the City, program specific grant and contribution revenue (operating and capital) and charges for services. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. Charges for service are revenues derived directly from the program itself or from parties outside the City's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the City's general revenues. The primary sources of program revenues

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

are fees, fines, and charges paid by recipients of goods and services, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and earned income in connection with the operation of the City's utility system.

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

Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 4
Gas, water and sewer revenue	Debt service and utility operations

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

G. Capitalization of Interest Expense

It is the policy of the City of Opelousas to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Funds. At August 31, 2021, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

H. Use of Estimates

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

(2) Deficit Net Position

The following individual funds had deficits in unrestricted net position at August 31, 2021:

	<u>Deficit Amount</u>
Internal Service Fund G	\$ (2,011,825)
Health Self Insurance Fund	(846,118)

These deficits will be eliminated by increasing revenues and/or reducing expenditures.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year. Taxes are levied by the City in November and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1st of the following year. The City bills and collects its own property taxes using the assessed values determined by the Tax Assessor of St. Landry Parish. City property tax revenues are budgeted in the year billed.

For the year ended August 31, 2021, taxes of 7.13 mills were levied on property with assessed valuations totaling \$143,665,430 for general purposes. Total taxes levied were \$1,024,340. Taxes receivable at August 31, 2021 totaled \$29,384.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Sales and Use Tax

- A. Proceeds of the 1% sales and use tax levied by authority of a special election held on November 26, 1966 (2021 collections \$5,125,469) are dedicated to the following purposes:

Construction and improving drainage works; purchasing, constructing, and improving public parks and recreational facilities, and acquiring necessary equipment and furnishings therefore; acquiring, constructing, improving, and operating a public library and acquiring the necessary land, equipment, and furnishings therefore; acquiring and constructing waterworks improvements and extensions; opening, constructing, paving, and improving streets and bridges; constructing and purchasing street lighting facilities and acquiring and establishing an industrial park, title to all of which shall be public. Defraying the cost of maintaining sewerage facilities. Providing additional funds not to exceed \$40,000 dollars annually for the payment of salaries for municipal employees.

- B. Proceeds of the 1% sales and use tax was initially levied by authority of a special election held on April 5, 1975, and was extended through May 31, 2025 (2021 collections \$5,125,469) are dedicated to the following purposes:

To constructing, acquiring, improving and/or maintaining of garbage, waste disposal facilities, and waterworks facilities; to constructing, acquiring, improving and/or maintaining police department stations and facilities, and fire department stations and facilities; to constructing, acquiring, improving, extending and/or maintaining sewers and sewerage disposal works, streets, sidewalks, and bridges; and purchasing and acquiring the necessary land, equipment, and furnishing for any of the aforesaid public works, improvements and facilities, including salaries of employees.

- C. Proceeds of the 0.2% sales and use tax levied by authority of a special election held on October 3, 1993 (2021 collections \$1,025,105) are dedicated for construction, acquiring, and improving fire, police and street facilities.

(5) Cash, Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At August 31, 2021, the City had cash and interest-bearing deposits (book balances) totaling \$8,423,655.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered, or the City will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at August 31, 2021, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 8,454,313</u>
Federal deposit insurance	\$ 252,606
Pledged securities	<u>7,900,000</u>
Total	<u>\$ 8,152,606</u>
Excess (deficiency)	<u>\$ (301,707)</u>

Deposits in the amount of \$7,900,000 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk. Deposits were under secured by approximately \$301,707 at August 31, 2021.

(6) Investments

The City participates in Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local governmental 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 inly securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

Accounting standards require 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 accounting standards. The following facts are relevant for investments pools:

- Credit risk: LAMP has a fund rating of AAAM issued 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 OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

- Concentration of credit risk: LAMP’s 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.
- Foreign currency risk: Not applicable.

The investment in LAMP totaling \$500,045 is stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

(7) Restricted Assets

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance and flow of monies through various restricted accounts, minimum accounts to be maintained in various sinking funds, and minimum revenue bond coverage. A summary of restricted assets by fund as of August 31, 2021 consist of the following:

	<u>General Fund</u>	<u>Electric Light and Waterworks Fund</u>	<u>Total</u>
Construction	\$ -	\$ 205,432	\$ 205,432
Bond sinking accounts	-	1,504,364	1,504,364
Bond reserve accounts	219,050	809,798	1,028,848
Customers' deposits	-	26,961	26,961
Ad valorem taxes paid in protest	<u>3,197</u>	<u>-</u>	<u>3,197</u>
	<u>\$ 222,247</u>	<u>\$ 2,546,555</u>	<u>\$ 2,768,802</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Receivables

Receivables at August 31, 2021 of \$1,760,321 consist of the following:

	<u>General</u>	<u>ELWW</u>	<u>Sewer</u>	<u>OREC</u>	<u>Total</u>
Accounts, net	\$ 52,276	\$ 619,401	\$ 641,049	\$ -	\$ 1,312,726
CLECO	-	215,410	-	-	215,410
Loans	-	-	-	26,379	26,379
Franchise taxes	142,023	-	-	-	142,023
Interest	-	-	-	32,417	32,417
Rent	9,681	-	-	-	9,681
Fines and fees	20,621	-	-	-	20,621
	<u>\$ 224,601</u>	<u>\$ 834,811</u>	<u>\$ 641,049</u>	<u>\$ 58,796</u>	<u>\$ 1,760,321</u>

(9) Accounts Receivable – Utility Funds

As of August 31, 2021, the customer receivables recorded in the Electric Light and Waterworks Fund and Sewer Fund are net of allowances for uncollectible accounts. These allowances are \$244,358 and \$128,360, respectively.

As of August 31, 2021, customer receivables include unbilled revenue for the Electric Light and Waterworks Fund and Sewer Fund of \$337,976 and \$299,714, respectively. These amounts represent revenue earned which is not billed until the next billing cycle.

Customer receivables as of August 31, 2021 consist of the following:

	<u>ELWW</u>	<u>Sewer</u>	<u>Total</u>
Billed accounts receivable	\$ 525,783	\$ 469,695	\$ 995,478
Unbilled accounts receivable	337,976	299,714	637,690
Allowance for uncollectibles	<u>(244,358)</u>	<u>(128,360)</u>	<u>(372,718)</u>
Net accounts receivable	<u>\$ 619,401</u>	<u>\$ 641,049</u>	<u>\$ 1,260,450</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(10) Capital Assets

Capital asset activity for the year ended August 31, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,836,529	\$ -	\$ -	\$ 1,836,529
Construction in progress	-	137,224	-	137,224
Other capital assets:				
Buildings	8,944,501	-	-	8,944,501
Improvements other than buildings	18,743,408	84,387	-	18,827,795
Equipment and machinery	8,679,878	2,013,102	423,691	10,269,289
Totals	<u>38,204,316</u>	<u>2,234,713</u>	<u>423,691</u>	<u>40,015,338</u>
Less accumulated depreciation				
Buildings	4,614,066	179,899	-	4,793,965
Improvements other than buildings	11,441,597	563,309	-	12,004,906
Equipment and machinery	6,036,180	276,535	423,691	5,889,024
Total accumulated depreciation	<u>22,091,843</u>	<u>1,019,743</u>	<u>423,691</u>	<u>22,687,895</u>
Governmental activities, capital assets, net	<u>\$16,112,473</u>	<u>\$ 1,214,970</u>	<u>\$ -</u>	<u>\$17,327,443</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 77,698	\$ -	\$ -	\$ 77,698
Construction in progress	52,586	407,625	-	460,211
Other capital assets:				
Buildings	1,317,911	-	-	1,317,911
Utility system and improvements	59,788,345	166,193	-	59,954,538
Machinery and equipment	1,765,817	183,143	-	1,948,960
Totals	<u>63,002,357</u>	<u>756,961</u>	<u>-</u>	<u>63,759,318</u>
Less accumulated depreciation				
Buildings	1,310,733	1,119	-	1,311,852
Utility system & improvements	40,096,723	1,153,612	-	41,250,335
Machinery and equipment	1,600,485	74,334	-	1,674,819
Total accumulated depreciation	<u>43,007,941</u>	<u>1,229,065</u>	<u>-</u>	<u>44,237,006</u>
Business-type activities, capital assets, net	<u>\$19,994,416</u>	<u>\$ (472,104)</u>	<u>\$ -</u>	<u>\$19,522,312</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 147,167
Public safety	246,550
Public works	486,186
Culture and recreation	126,971
Health and welfare	<u>12,869</u>
Total depreciation expense	<u>\$ 1,019,743</u>

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

Electric Light and Waterworks	\$ 752,775
Sewer	<u>476,290</u>
Total depreciation expense	<u>\$ 1,229,065</u>

(11) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following at August 31, 2021:

	<u>General</u>	<u>ELWW</u>	<u>Sewer</u>	<u>Total</u>
Accounts payable	\$ 824,751	\$ 379,079	\$ 265,229	\$ 1,469,059
Salaries payable	183,885	-	-	183,885
Retirement payable	272,547	10,609	3,542	286,698
Permit deposits payable	13,970	-	-	13,970
Construction payable	-	63,061	-	63,061
Other	<u>-</u>	<u>2,080</u>	<u>-</u>	<u>2,080</u>
Totals	<u>\$ 1,295,153</u>	<u>\$ 454,829</u>	<u>\$ 268,771</u>	<u>\$ 2,018,753</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the City for the year ended August 31, 2021:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Long-term debt:					
Direct placements:					
Public Improvement					
Bonds	\$ 2,627,000	\$ -	\$ 115,000	\$ 2,512,000	\$ 321,000
Utility Revenue Bonds	8,473,414	-	523,860	7,949,554	1,003,000
Other long-term liabilities:					
Capital leases	1,243,929	1,905,233	135,547	3,013,615	391,293
Compensated absences payable	<u>1,386,965</u>	<u>-</u>	<u>11,876</u>	<u>1,375,089</u>	<u>-</u>
	<u>\$13,731,308</u>	<u>\$ 1,905,233</u>	<u>\$ 786,283</u>	<u>\$14,850,258</u>	<u>\$1,715,293</u>

Bonds payable at August 31, 2021 is comprised of the following individual issues:

Governmental activities: General obligation bonds –

\$2,627,000 Sales Tax Refunding Bonds, Series 2020B, due in annual installments of \$115,000 to \$399,000 through September 1, 2028; interest at 3.72%; payable from Sales Tax revenues \$ 2,512,000

Business-type activities: Revenue bonds –

\$8,026,000 Utility Revenue Refunding Bonds, Series 2020C, due in annual installments of \$340,000 to \$1,198,000 through September 1, 2028; interest at 3.02%; payable from electric light and waterworks revenues \$ 7,686,000

\$500,000 Taxable Utility Revenue Bond, Series 2020A non-interest bearing sewer revenue bonds for the purpose of acquiring, construction, and intalling improvements, extensions, and additions to the sewerage system of City. The bonds were sold to the Louisiana Department of Environmental Quality (the "Department"). The City's obligation to repay the principal of the bonds will be forgiven simultaneously with the payment by the Department of each installment of the purchase price of the bonds. At the time of the debt forgiveness, these amounts are recognized as grant revenue. 263,554

\$ 7,949,554

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Annual debt service requirements to maturity of bonds outstanding are as follows:

Year ending August 30,	Governmental Activities		Business-Type Activities		Total	
	Principal payments	Interest payments	Principal payments	Interest payments	Principal payments	Interest payments
2022	\$ 321,000	\$ 93,446	\$1,266,554	\$ 232,118	\$ 1,587,554	\$ 325,564
2023	333,000	81,505	1,033,000	201,826	1,366,000	283,331
2024	345,000	69,118	1,064,000	170,630	1,409,000	239,748
2025	358,000	56,284	1,096,000	138,498	1,601,008	194,782
2026	371,000	42,966	1,129,000	105,398	1,500,000	148,364
2027 - 2031	<u>784,000</u>	<u>44,007</u>	<u>2,361,000</u>	<u>107,481</u>	<u>3,145,000</u>	<u>151,488</u>
Total	<u>\$2,512,000</u>	<u>\$387,326</u>	<u>\$7,949,554</u>	<u>\$ 955,951</u>	<u>\$ 10,608,562</u>	<u>\$ 1,343,277</u>

Capital lease payable at August 31, 2021 is comprised of the following:

	Original Amount	Maturity Date	Interest Rate	Balance Outstanding
Fire equipment	\$ 1,500,000	03/08/28	3.887%	\$ 1,108,382
Fire equipment	<u>1,905,233</u>	02/11/31	2.980%	<u>1,905,233</u>
	<u>\$ 3,405,233</u>			<u>\$ 3,013,615</u>

Annual debt service requirements to maturity of capital leases is as follows:

Year ending August 31,	Governmental Activities Firefighting Equipment
2022	\$ 517,324
2023	404,508
2024	404,507
2025	404,507
2026	404,507
2027 - 2031	1,250,240
2032 - 2035	110,306
Less: Amount representing interest	<u>(482,284)</u>
Present value of future minimum lease payments	<u>\$3,013,615</u>

In the fund financial statements, the acquisition costs were reported as capital outlay with corresponding capital lease proceeds reported as an "other financing source". The government-wide financial statements report the acquisitions as a capital asset in the governmental activities with the corresponding obligations reported as a liability.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

On February 3, 2009, the City of Opelousas entered into an operative lease for the Orphan Train Museum for a total cost of \$100 which was paid in full on March 3, 2009. The lease was for a term of 100 years beginning February 3, 2009, with the option to renew for an additional 100 years.

(13) Pension Plans

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

Plan Descriptions

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

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

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

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

	MERS	MPERS	FRS	LASERS
Final average salary	Highest 60 months	Highest 36 months or 60 months ²	Highest 36 months	Highest 36 months or 60 months ⁶
Years of service required and/or age eligible for benefits	25 years of any age 10 years age 60 20 years any age ¹	25 years of any age 20 years age 55 12 years age 55 20 years any age ¹ 30 years any age ³ 25 years age 55 ³ 10 years age 60 ³	25 years of any age 20 years age 50 12 years age 55	30 years of any age 25 years age 55 20 years of any age ¹ 5-10 years age 60 ⁷
Benefit percent per years of service	3.00%	2.50 - 3.33% ⁴	3.33%	2.5% - 3.5% ⁸

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

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

⁴ As of January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, prior to January 1, 2013 3.33%

⁵ Employees hired after January 1, 2007: 30 years age 55, 10 years age 62, 7 years age 67

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

⁷ Five to ten years of creditable service at age 60 depending upon the plan or when hired

⁸ Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%

⁹ Benefit percent varies depending on hire date

¹⁰ For those hired prior to 1/1/2013

¹¹ Hired after 12/31/12 age eligibility is 30 years at 55, 20 years at 60, and 10 years at age 62

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, MERS receives a percentage of ad valorem taxes collected by parishes, and MPERS and FRS receive a percentage of insurance premium taxes from the State. These entities are not participating employers in the pension systems and are considered to be nonemployer contributing entities. Contributions of employees, employers, and non-employer contributing entities effective for the year ended August 31, 2021 for the defined benefit pension plans in which the City is a participating employer were as follows:

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Nonemployer Contributing Entities</u>	<u>Amount of Government Contributions</u>
MERS	10.00%	29.50%	\$ 136,327	\$ 1,015,845
MPERS	10.00%	33.75%	195,904	959,536
FRS	10.00%	33.75%	286,089	818,633
LASERS	11.50%	43.70%	-	14,452
TOTAL			<u>\$ 618,320</u>	<u>\$ 2,808,466</u>

Net Pension Liability

The City's net pension liability at August 31, 2021 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2020 for all) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers.

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

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 5,081,709	1.826965%	-0.204774%
MPERS	4,672,933	0.876633%	0.075253%
FRS	3,548,952	1.001439%	-0.006477%
LASERS	97,420	0.001770%	0.000060%
Total	<u>\$ 13,401,014</u>		

Since the measurement date of the net pension liability was June 30, 2019 the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

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

FRS - <http://ffret.com/>
 LASERS - <http://lasersonline.org/>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Actuarial Assumptions

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

	MERS	MPERS	FRS	LASERS
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019	7/1/2014 - 6/30/2019	2014 - 2018
Expected remaining service lives	3	4	7	2
Inflation rate	2.500%	2.500%	2.500%	2.300%
Projected salary increases	4.5% - 6.4%	4.7% - 12.3%	5.2% - 14.1%	2.6% - 13.8%
Projected benefit changes including COLAs	None	None	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)	(7), (8), (9)	(10), (11)

- (1) PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females using respective male and female MP2018 scales.
- (2) PubG-2010(B) Employee Table set equal to 120% for males and females using respective male and female MP2018 scales.
- (3) PubNS-2010(B) Disabled Retiree Tables set equal to 120% for males and females with full generational MP2018 scale.
- (4) Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Health Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.
- (5) Pub-2010 Public Retirement Plan Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.
- (6) Pub-2010 Public Retirement Plan 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.
- (7) Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Employees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.
- (8) Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.
- (9) Pub-2010 Public Retirement Plan Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.
- (10) RP-2014 Combined Healthy Mortality Table with mortality improvement projected to 2018.
- (11) RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement.

Cost of Living Adjustments

The pension plans in which the City participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. COLAs may be granted to the state system (LASERS) if approved with a two-thirds vote of both houses of the Legislature, provided the plan meets certain statutory criteria related to the funded status and interest earnings.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Discount Rate

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

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>
Discount rate	6.850%	6.75%	6.90%	7.40%
Change in discount rate from prior valuation	-0.100%	-0.200%	-0.10%	7.55%
Plan cash flow assumptions	(1)	(1)	(1)	(1)
Rates incorporated in the Discount Rate:				
Long-term Rate of Return	6.850%	6.75%	6.90%	7.40%
Periods applied	All	All	All	All
Municipal Bond Rate	N/A	N/A	N/A	N/A

Plan Cash Flow Assumptions:

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Asset Class	MERS*		MPERS*		FRS*		LASERS**
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Long-term Expected Real Rate of Return
Domestic Fixed Income	-	-	-	-	18.0%	0.97%	0.49%
International Fixed Income	-	-	-	-	5.0%	2.75%	3.94%
Fixed Income	38%	1.65%	30.5%	0.59%	3.0%	0.40%	-
Domestic Equity	-	-	-	-	27.5%	5.86%	4.09%
International Equity	-	-	-	-	11.5%	6.44%	5.12%
Global Equity	-	-	-	-	10.0%	6.40%	-
Equities	53%	2.31%	55.5%	3.47%	7.0%	8.64%	-
Global Tactical Asset Allocation	-	-	-	-	-	4.17%	-
Risk Parity	-	-	-	-	-	4.17%	0.00%
Alternative Investments	9%	0.39%	14.0%	1.01%	-	-	6.93%
Other/Cash	-	-	-	-	3.0%	-	-0.29%
Private Equity	-	-	-	-	9.0%	9.53%	-
Real Estate	-	-	-	-	6.0%	5.31%	-
Total	<u>100%</u>	<u>4.35%</u>	<u>100%</u>	<u>5.08%</u>	<u>100%</u>		<u>5.81%</u>
Inflation/Rebalancing		<u>2.60%</u>		<u>2.22%</u>			<u>2.30%</u>
Expected Return		<u>6.95%</u>		<u>7.30%</u>			<u>8.11%</u>

*Arithmetic real rates of return

**Geometric real rates of return

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended August 31, 2021, the City recognized \$2,026,798 in pension benefit related to all defined benefit plans in which it participates. MERS, MPERS, and FRS recognized revenues in the amount of \$618,320 in ad valorem taxes and insurance premiums collected from non-employer contributing entities. The pension expense and revenues are summarized by plan in the following table:

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

<u>Plan</u>	<u>Pension Expense (Benefit)</u>	<u>Revenues</u>
MERS	\$ 122,341	\$137,834
MPERS	(197,706)	174,679
FRS	464,089	282,395
LASERS	(28,959)	-
Total	<u>\$ 359,765</u>	<u>\$594,908</u>

At August 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 1,831	\$ -	\$ 50,646	\$ 96	\$ 52,573
Changes in assumptions	185,706	517,503	769,032	2,386	1,474,627
Changes in proportion and differences between actual contributions and proportionate share of contributions	-	514,271	86,256	2,170	602,697
Employer contributions to the pension plans subsequent to the measurement date of the net pension liability	<u>195,498</u>	<u>167,055</u>	<u>162,518</u>	<u>2,842</u>	<u>527,913</u>
Total	<u>\$ 383,035</u>	<u>\$1,198,829</u>	<u>\$1,068,452</u>	<u>\$ 7,494</u>	<u>\$2,657,810</u>

Deferred Inflows of Resources

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 58,111	\$ 143,912	\$ 318,704	\$ -	\$ 520,727
Changes in assumptions	-	133,299	-	-	133,299
Net difference between projected and actual earnings on pension plan investments	1,431,776	2,181,892	2,153,711	22,719	5,790,098
Changes in proportion and differences between actual contributions and proportionate share of contributions	<u>781,831</u>	<u>547,893</u>	<u>273,698</u>	<u>364</u>	<u>1,603,786</u>
Total	<u>\$2,271,718</u>	<u>\$3,006,996</u>	<u>\$2,746,113</u>	<u>\$ 23,083</u>	<u>\$8,047,910</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred outflows of resources of \$527,913 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending August 31, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended August 31	MERS	MPERS	FRS	LASERS	TOTAL
2022	\$ (682,541)	\$ (586,647)	\$ (350,078)	\$ 346	\$ (1,618,920)
2023	(547,857)	(368,622)	(393,738)	(3,501)	(1,313,718)
2024	(369,123)	(268,242)	(511,026)	(5,162)	(1,153,553)
2025	(484,660)	(751,711)	(650,228)	(10,114)	(1,896,713)
2025	-	-	19,923	-	19,923
Thereafter	-	-	44,968	-	44,968
	<u>\$ (2,084,181)</u>	<u>\$ (1,975,222)</u>	<u>\$ (1,840,179)</u>	<u>\$ (18,431)</u>	<u>\$ (5,918,013)</u>

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

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

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.85%	\$ 7,526,272	\$ 5,081,709	\$ 3,016,938
MPERS	6.75%	8,144,184	4,672,933	1,775,610
FRS	6.90%	6,808,402	3,548,952	830,605
LASERS	7.40%	131,997	97,420	68,000
Total		<u>\$ 22,610,855</u>	<u>\$ 13,401,014</u>	<u>\$ 5,691,153</u>

Payables to the Pension Plans

The City recorded accrued liabilities to each of the pension plans for the year ended August 31, 2021 for the contractually required contributions for the months of July and August 2021. The amounts are included in liabilities under the amounts reported as accounts and other payables. The balance due to each plan at August 31, 2021 is as follows:

Plan	
MERS	\$ 112,528
MPERS	83,695
FRS	88,931
LASERS	1,544
Total	<u>\$ 286,698</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) Litigation and Claims

At August 31, 2021, the City is involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability to the City in excess of insurance coverage. The City also has worker's compensation claims that are unlikely to be settled due to the individuals having permanent disabilities and are currently receiving medical care. The only exposure to the City would be administrative fees with no liability in excess of insurance coverage. See Note 15.

(15) Risk Management

A. Self-Insurance

The City maintains various self-insurance accounts for general and auto liability, workmen's compensation benefits and health insurance (accounted for in Internal Service Fund G, Workmen's Compensation Fund and Health Self Insurance Fund, respectively) as of August 31, 2021. Most funds of the City participate in the self-insurance funds by making payments based on premiums necessary to cover claims, administrative costs, and commercial insurance premiums, if applicable.

For the fiscal year ending August 31, 2021, the City was self-insured for the first \$300,000 of each claim relating to workmen's compensation insurance. The City is covered under an insurance contract for the excess liability.

The City has established a self-insurance health plan to account for and finance its uninsured risk of loss for commercial group health insurance. The plan is administered by Health Scope Benefits. Under this plan, the City has a stop loss insurance policy with United States Fire Insurance Company under which the City will be reimbursed for aggregate incurred claims during the period of insurance less any amounts paid with respect to the specific incurred claims. No claims will be reimbursed until all claims in excess of the specific attachment point of \$2,300,571 exceed a corridor of the greater of the product of the enrollment times a factor per employee or the annual corridor of \$80,000. Monthly payments are calculated based on the number of employees with single coverage multiplied by a funding factor of \$638 and the number of employees with family coverage multiplied by a funding factor of \$1,723. The City currently funds the plan based upon actual claims incurred instead of the funding factors discussed above.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

A reconciliation of claims liabilities which are included in the financial statements as accounts payable and accrued expenses and claims payable for the self-insurance funds follows:

	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Total
Beginning balance	\$ 961,500	\$ -	\$ 540,281	\$ 1,501,781
Claims incurred	382,454	462,986	1,246,640	2,092,080
Claims paid	<u>(20,454)</u>	<u>(462,986)</u>	<u>(1,534,351)</u>	<u>(2,017,791)</u>
Ending balance	<u>\$ 1,323,500</u>	<u>\$ -</u>	<u>\$ 252,570</u>	<u>\$ 1,576,070</u>

B. Commercial Insurance Coverage

The City is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. The City is self-insured for a portion of these losses as discussed above. The risk of any excess liability is handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(16) Commitments and Contingencies

The City received funding under grants from various federal and state agencies. The agency grants specify the purpose for which the grant monies are to be used. These grants are subject to audit by the granting agency or its representative.

In December 2019, the City received notice from the Internal Revenue Service of a tax lien relating to payroll taxes, penalties and interest for various tax periods from 2013 through 2019. The City appealed this assessment and has been working with an IRS representative to resolve this matter. During the year, the City paid \$42,787 to pay off this tax lien. The City also paid \$10,728 toward this tax lien in the prior fiscal year. The City has been granted abatements for penalties assessed for tax periods 2013, 2014, 2015, 2017, 2018, and 2019. It is expected that the City will also receive an abatement for penalties assessed for tax period 2016.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(17) Segment Information for the Enterprise Funds

The City of Opelousas maintains two enterprise funds, each with one department, which provide water and sewerage services. Segment information for the year ended August 31, 2021, was as follows:

	Electric Lights and Waterworks	Sewer Department	Total Enterprise Funds
Operating revenues	<u>\$ 5,697,130</u>	<u>\$ 1,788,233</u>	<u>\$ 7,485,363</u>
Operating expenses:			
Depreciation	752,775	476,290	1,229,065
Other	<u>2,465,270</u>	<u>1,271,744</u>	<u>3,737,014</u>
Total operating expenses	<u>3,218,045</u>	<u>1,748,034</u>	<u>4,966,079</u>
Operating income	<u>\$ 2,479,085</u>	<u>\$ 40,199</u>	<u>\$ 2,519,284</u>

(18) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at August 31, 2021 follows:

	Interfund Receivables	Interfund Payables
Major governmental funds:		
General Fund	\$ 5,678,368	\$ 683,059
Sales Tax Fund	700,000	-
Non-major governmental funds	20,626	2,606
Proprietary funds:		
Electric Light and Waterworks Fund	1,837,339	1,431,080
Sewer Fund	50,420	4,457,192
Non-major proprietary fund	-	3
Internal Service Fund A	115,089	-
Internal Service Fund G	-	657,399
Workmen's Compensation Fund	308,701	-
Health Self Insurance Fund	<u>-</u>	<u>1,479,204</u>
Total	<u>\$ 8,710,543</u>	<u>\$ 8,710,543</u>

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Transfers consisted of the following at August 31, 2021:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 16,759,278	\$ 3,971,237
Sales Tax Special Revenue Fund	-	11,073,482
Non-major governmental funds	288	-
Proprietary funds:		
Electric Light and Waterworks Fund	1,713,764	2,644,880
Sewer Fund	275,000	3,229,699
Internal Service Fund A	1,511	-
Internal Service Fund G	-	82,130
Workmen's Compensation Fund	883	-
Health Self Insurance Fund	2,250,704	-
Total	<u>\$ 21,001,428</u>	<u>\$ 21,001,428</u>

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

(19) Compensation of City Officials

A detail of compensation paid to the Mayor and City Council for the year ended August 31, 2021 follows:

	<u>Salary</u>	<u>Car Allowance</u>	<u>Total</u>
Julius Alsandor, Mayor	\$ 76,877	\$ 7,980	\$ 84,857
Council Members:			
Marvin Richard	16,481	4,200	20,681
Sherell Roberts	15,295	4,200	19,495
Milton Batiste, III	15,721	4,200	19,921
Floyd Ford	15,261	4,200	19,461
Charles Cummings	15,261	4,200	19,461
Chasity Davis	15,986	4,200	20,186
	<u>\$ 170,882</u>	<u>\$ 33,180</u>	<u>\$ 204,062</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

A detail of compensation, benefits, and other payments paid to Mayor Julius Alsandor for the year ended August 31, 2021 follows:

Purpose	Amount
Salary	\$ 76,877
Car allowance	7,980
Benefits - life insurance	84
Benefits - retirement	22,679
Benefits - health insurance	5,400
Other reimbursements	4,487
	<u>117,507</u>

(21) On-Behalf Payment of Salaries

The State of Louisiana paid the City's policemen and firemen \$517,358 of supplemental pay during the year ended August 31, 2021. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government wide and General Fund financial statements.

(22) Enterprise Fund Contracts

A. Franchise Agreement with CLECO

On May 14, 1991, the City of Opelousas entered into a Franchise Agreement with Central Louisiana Electric Company, Inc. (CLECO) for operating and distributing electricity within the corporate limits of the City. The primary term of this Agreement shall be for a period of 10 years from August 11, 1991 to August 11, 2001, with the option granted to CLECO to renew such Agreement for 3 additional 10-year periods. The City of Opelousas renewed this agreement for a second period of 10 years from August 11, 2011 to August 11, 2021. This agreement was then renewed and modified on July 9, 2019, extending the agreement for an additional 10 years through August 11, 2031.

The City shall continue to own its electric distribution system within the City but enters into an operating Agreement with CLECO whereby CLECO is granted the full right to use and operate same and to repair and replace lines, poles, and other equipment as and when deemed necessary for the purpose of efficiently maintaining the system. The electric distribution system does not include the City's power plant and CLECO has no rights or obligations relative to the power plant. All improvements made by CLECO are to be purchased by the City at the end of the lease at cost less depreciation.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Under the terms of the Agreement, that for and in consideration of the city granting to CLECO the franchise and the right to use the City's electric distribution system, CLECO binds and obligates itself to pay the following:

1. The sum of \$1,300,000 upon execution of the Agreement.
2. A monthly payment of \$170,000 for 120 months beginning August 11, 2001 for operations. Beginning August 11, 2021, this monthly payment will increase to \$175,000.
3. A franchise fee of equal to 4% of the amounts received by CLECO from the sale and delivery of electric energy at retail for residential and commercial purposes, commencing August 11, 2011. This amount shall be paid monthly, and the annual amount shall be no less than \$350,000.

CLECO shall also bill and collect for and on behalf of the City a consumer service charge, the amount of which will be added to each consumer's bill on a cost per kilowatt-hour basis. The amount of this surcharge shall be determined by the Mayor and City Council.

B. Franchise Agreement with SLEMCO

On March 1, 2006, the City of Opelousas entered into a franchise agreement with Southwest Louisiana Membership Corporation (SLEMCO) for operating and distributing electricity within the corporate limits of the City of Opelousas, with the exception of the "Excluded Area." The excluded area is defined as all areas that were within the Opelousas city limits as those city limits existed in August 1991 when the City leased its city-owned electrical system to Central Louisiana Electric Company (CLECO).

The primary term of the agreement shall be for a period of 6 years and 6 months commencing on March 1, 2006 and ending on August 11, 2011. The City of Opelousas renewed this agreement for a period of 10 years from August 11, 2011 to August 11, 2021. The City of Opelousas renewed this agreement for a period of 10 years from August 12, 2021 to August 11, 2031.

The City entered into an operating agreement with SLEMCO whereby SLEMCO is granted the right and privilege of constructing, erecting, maintaining, and operating SLEMCO's electric transmission and distribution lines and systems, for the purpose of selling, servicing, handling, and distributing electricity and electric energy within the corporate limits of the City as they existed on March 1, 2006 and as thereafter extended on SLEMCO lines, including poles, lines, wires, insulators, transformers, services, arms, braces, guys, and all other necessary or usual attachments and appurtenances, along, across, over, under and on the streets, lanes, highways, public roads, and other public places in the City, with the exception of the "Excluded Area."

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Under the terms of the agreement, that for and in consideration of the City granting to SLEMCO the franchise and the right to operate SLEMCO's electric transmission and distribution line and systems, SLEMCO binds and obligates itself to pay the following:

1. The sum of \$373,708 upon execution of the agreement.
2. A monthly franchise fee of equal to 4% of gross revenue collected by SLEMCO from its retail sale and delivery of electric energy in the City.

(23) Uncertainties Arising During and After Financial Statement Date

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF OPELOUSAS, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 3,423,437	\$ 2,245,369	\$ 2,231,177	\$ (14,192)
Licenses and permits	1,065,970	934,877	943,799	8,922
Intergovernmental	676,285	1,853,218	1,877,317	24,099
Charges for services	160,839	199,260	201,856	2,596
Fines and forfeitures	46,500	47,260	49,513	2,253
Other	378,911	260,763	340,200	79,437
Total revenues	<u>5,751,942</u>	<u>5,540,747</u>	<u>5,643,862</u>	<u>103,115</u>
Expenditures:				
Current -				
General government	2,599,118	2,554,133	2,719,584	(165,451)
Public safety	8,655,756	9,787,566	10,187,484	(399,918)
Public works	1,506,959	1,593,017	1,809,421	(216,404)
Health and welfare	530,098	464,008	488,825	(24,817)
Culture and recreation	1,363,473	1,175,100	1,344,862	(169,762)
Economic development	77,339	98,511	117,378	(18,867)
Capital outlay	985,040	2,513,727	2,259,793	253,934
Debt service -				
Principal retirement	638,000	175,978	250,548	(74,570)
Interest and fiscal charges	92,452	98,539	147,886	(49,347)
Total expenditures	<u>16,448,235</u>	<u>18,460,579</u>	<u>19,325,781</u>	<u>(865,202)</u>
Deficiency of revenues over expenditures	<u>(10,696,293)</u>	<u>(12,919,832)</u>	<u>(13,681,919)</u>	<u>(762,087)</u>
Other financing sources (uses):				
Proceeds from capital lease	-	1,905,233	1,905,233	-
Sale of capital assets	5,000	2,700	2,700	-
Transfers in	12,975,000	14,658,280	15,259,278	600,998
Transfers out	(2,250,000)	(3,250,557)	(3,971,237)	(720,680)
Total other financing sources (uses)	<u>10,730,000</u>	<u>13,315,656</u>	<u>13,195,974</u>	<u>(119,682)</u>
Net change in fund balance	33,707	395,824	(485,945)	(881,769)
Fund balances, beginning	<u>3,526,049</u>	<u>3,526,049</u>	<u>3,526,049</u>	<u>-</u>
Fund balances, ending	<u>\$ 3,559,756</u>	<u>\$ 3,921,873</u>	<u>\$ 3,040,104</u>	<u>\$ (881,769)</u>

The accompanying notes are an integral part of this schedule.

CITY OF OPELOUSAS, LOUISIANA
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 9,658,000	\$ 11,118,758	\$ 11,276,043	\$ 157,285
Other	<u>7,250</u>	<u>6,875</u>	<u>6,369</u>	<u>(506)</u>
Total revenues	9,665,250	11,125,633	11,282,412	156,779
Expenditures:				
Current -				
General government	<u>353,987</u>	<u>353,259</u>	<u>362,144</u>	<u>(8,885)</u>
Excess of revenues over expenditures	9,311,263	10,772,374	10,920,268	147,894
Other financing uses:				
Transfers out	<u>(9,150,000)</u>	<u>(10,452,733)</u>	<u>(11,073,482)</u>	<u>(620,749)</u>
Net change in fund balance	161,263	319,641	(153,214)	(472,855)
Fund balances, beginning	<u>2,226,212</u>	<u>2,226,212</u>	<u>2,226,212</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,387,475</u>	<u>\$ 2,545,853</u>	<u>\$ 2,072,998</u>	<u>\$ (472,855)</u>

The accompanying notes are an integral part of this schedule.

CITY OF OPELOUSAS, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended August 31, 2021 *

Year ended August 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System of Louisiana - Plan A:					
2021	1.826965%	\$ 5,081,709	\$ 3,412,690	148.9%	77.82%
2020	2.031739%	\$ 8,784,038	\$ 3,669,485	239.4%	64.52%
2019	2.179317%	\$ 9,106,628	\$ 3,796,714	239.9%	64.68%
2018	2.185248%	\$ 9,048,408	\$ 3,596,657	251.6%	63.94%
2017	2.128890%	\$ 8,906,044	\$ 3,502,465	254.3%	62.49%
2016	2.076782%	\$ 8,512,128	\$ 3,587,100	237.3%	62.11%
2015	2.085828%	\$ 7,450,904	\$ 3,559,351	209.3%	66.18%
Municipal Police Employees' Retirement System of Louisiana:					
2021	0.876633%	\$ 4,672,933	\$ 2,879,444	162.3%	84.09%
2020	0.801380%	\$ 7,406,619	\$ 2,691,375	275.2%	70.94%
2019	0.857034%	\$ 7,783,304	\$ 2,673,941	291.1%	71.01%
2018	1.000453%	\$ 8,457,891	\$ 2,952,467	286.5%	71.89%
2017	0.998986%	\$ 8,721,570	\$ 2,930,423	297.6%	70.08%
2016	1.067947%	\$ 10,009,672	\$ 2,991,420	334.6%	66.04%
2015	1.047878%	\$ 8,209,029	\$ 2,803,091	292.9%	70.73%
Firefighters' Retirement System of Louisiana:					
2021	1.001439%	\$ 3,548,952	\$ 2,511,894	141.3%	86.78%
2020	1.007916%	\$ 6,986,420	\$ 2,509,951	278.3%	72.61%
2019	1.053403%	\$ 6,596,315	\$ 2,530,236	260.7%	73.96%
2018	1.036182%	\$ 5,960,200	\$ 2,469,679	241.3%	74.76%
2017	1.046380%	\$ 5,997,692	\$ 2,447,252	245.1%	73.55%
2016	1.041695%	\$ 6,813,627	\$ 2,345,262	290.5%	68.16%
2015	1.005241%	\$ 5,425,399	\$ 2,136,549	253.9%	72.45%
Louisiana State Employees' Retirement System:					
2021	0.001777%	\$ 97,420	\$ 33,821	288.0%	72.8%
2020	0.001711%	\$ 141,346	\$ 33,821	417.9%	58.0%
2019	0.001777%	\$ 128,307	\$ 33,821	379.4%	62.9%
2018	0.002566%	\$ 174,590	\$ 33,821	516.2%	64.3%
2017	0.002666%	\$ 187,022	\$ 33,821	553.0%	62.5%
2016	0.001766%	\$ 138,440	\$ 33,821	409.3%	57.7%
2015	0.001699%	\$ 114,605	\$ 32,520	352.4%	62.7%

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

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

The accompanying notes are an integral part of this schedule.

CITY OF OPELOUSAS, LOUISIANA

Schedule of Employer Contributions
For the Year Ended August 31, 2021

Year ended August 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
Municipal Employees' Retirement System of Louisiana - Plan A:					
2021	\$ 1,015,844	\$ 1,015,845	\$ (1)	\$ 3,443,539	29.50%
2020	\$ 1,004,744	\$ 1,005,205	\$ (461)	\$ 3,580,853	28.07%
2019	\$ 1,002,573	\$ 1,004,125	\$ (1,552)	\$ 3,807,766	26.37%
2018	\$ 915,290	\$ 922,673	\$ (7,383)	\$ 3,662,470	25.19%
2017	\$ 835,557	\$ 832,877	\$ 2,680	\$ 3,616,471	23.03%
2016	\$ 717,594	\$ 717,167	\$ 427	\$ 3,553,410	20.18%
2015	\$ 706,408	\$ 706,464	\$ (56)	\$ 3,576,749	19.75%
Municipal Police Employees' Retirement System of Louisiana:					
2021	\$ 959,536	\$ 959,536	\$ -	\$ 2,909,620	32.98%
2020	\$ 875,605	\$ 875,605	\$ -	\$ 2,675,419	32.73%
2019	\$ 860,002	\$ 860,008	\$ (6)	\$ 2,662,770	32.30%
2018	\$ 898,907	\$ 898,908	\$ (1)	\$ 2,898,171	31.02%
2017	\$ 961,437	\$ 961,175	\$ 262	\$ 3,046,069	31.55%
2016	\$ 892,889	\$ 892,891	\$ (2)	\$ 2,992,169	29.84%
2015	\$ 882,236	\$ 882,236	\$ -	\$ 2,829,486	31.18%
Firefighters' Retirement System of Louisiana:					
2021	\$ 818,633	\$ 818,633	\$ -	\$ 2,516,000	32.54%
2020	\$ 717,941	\$ 717,765	\$ 176	\$ 2,509,755	28.60%
2019	\$ 677,791	\$ 681,952	\$ (4,161)	\$ 2,535,172	26.90%
2018	\$ 656,255	\$ 655,908	\$ 347	\$ 2,476,434	26.49%
2017	\$ 648,401	\$ 648,401	\$ -	\$ 2,544,857	25.48%
2016	\$ 641,939	\$ 641,939	\$ -	\$ 2,382,774	26.94%
2015	\$ 627,405	\$ 627,816	\$ (411)	\$ 2,167,593	28.96%
Louisiana State Employees' Retirement System:					
2021	\$ 14,452	\$ 14,452	\$ -	\$ 33,821	42.73%
2020	\$ 14,347	\$ 14,347	\$ -	\$ 33,821	42.42%
2019	\$ 13,712	\$ 13,712	\$ -	\$ 33,821	40.54%
2018	\$ 13,562	\$ 13,562	\$ -	\$ 33,821	40.10%
2017	\$ 13,947	\$ 13,483	\$ 464	\$ 35,122	38.39%
2016	\$ 12,881	\$ 12,880	\$ 1	\$ 33,821	38.08%
2015	\$ 13,319	\$ 13,859	\$ (540)	\$ 32,520	42.62%

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

The accompanying notes are an integral part of this schedule.

CITY OF OPELOUSAS, LOUISIANA

Notes to Required Supplementary Information

(1) Budget and Budgetary Accounting

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

1. The City Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and City Council not later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Mayor.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the City Council. Such amendments were not material in relation to the original appropriations.

(2) Excess of Expenditures over Appropriations

The General Fund and Sales Tax Fund incurred expenditures in excess of appropriations of \$865,202 and \$8,885, respectively, for the year ended August 31, 2021.

(3) Pension Plans

Changes in benefit terms – There were no changes in benefit terms.

CITY OF OPELOUSAS, LOUISIANA

Notes to Required Supplementary Information

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

Amounts reported in fiscal year ended August 31, 2021 for the various pension plans reflect the following changes used to measure the total pension liability:

*		Investment		Expected	Projected
Year ended	Discount	Rate	Inflation	Remaining	Salary
August 31,	Rate	of Return	Rate	Service Lives	Increase
Municipal Employees' Retirement System of Louisiana - Plan A:					
2021	6.85%	6.85%	2.50%	3	4.5-6.4%
2020	6.95%	6.95%	2.50%	3	4.5-6.4%
2019	7.00%	7.00%	2.50%	3	4.5-6.4%
2018	7.275%	7.275%	2.60%	3	5.00%
2017	7.40%	7.40%	2.775%	4	5.00%
2016	7.50%	7.50%	2.875%	4	5.00%
2015	7.50%	7.50%	2.875%	4	5.00%
Municipal Police Employees' Retirement System of Louisiana:					
2021	6.75%	6.75%	2.50%	4	4.70-12.30%
2020	6.95%	6.95%	2.50%	4	4.70-12.30%
2019	7.13%	7.13%	2.50%	4	4.25-9.75%
2018	7.20%	7.20%	2.60%	4	4.25-9.75%
2017	7.325%	7.325%	2.70%	4	4.25-9.75%
2016	7.50%	7.50%	2.875%	4	4.25-9.75%
2015	7.50%	7.50%	2.875%	4	4.25-9.75%
Firefighters' Retirement System of Louisiana:					
2021	6.90%	6.90%	2.50%	7	5.2-14.10%
2020	7.00%	7.00%	2.50%	7	5.2-14.10%
2019	7.15%	7.15%	2.50%	7	4.5-14.75%
2018	7.30%	7.30%	2.70%	7	4.75-15.0%
2017	7.40%	7.40%	2.775%	7	4.75-15.0%
2016	7.50%	7.50%	2.875%	7	4.75-15.0%
2015	7.50%	7.50%	2.875%	7	4.75-15.0%

(continued)

CITY OF OPELOUSAS, LOUISIANA

Notes to Required Supplementary Information

*		Investment		Expected	Projected
Year ended	Discount	Rate	Inflation	Remaining	Salary
August 31,	Rate	of Return	Rate	Service Lives	Increase
Louisiana State Employees' Retirement System:					
2021	7.40%	7.40%	2.30%	2	2.6-13.8%
2020	7.55%	7.55%	2.30%	2	2.6-13.8%
2019	7.60%	7.60%	2.50%	2	2.8-14.0%
2018	7.65%	7.65%	2.75%	3	3.8-12.8%
2017	7.70%	7.70%	2.750%	3	3.8-12.8%
2016	7.75%	7.75%	3.000%	3	4.0-13.0%
2015	7.75%	7.75%	3.000%	3	4.0-13.0%

* The amounts presented have a measurement date of June 30th of each fiscal year end.

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Louisiana Community Development Block Grant (LCDBG) Fund

Accounts for monies reimbursed from the Louisiana Community Development Block Grant for street improvements.

Police Department Detective Fund

Accounts for monies transferred from the General Fund to be used for detective investigation.

Emergency Shelter Grant Fund

Accounts for funds received from the State of Louisiana Department of Social Services for the purpose of rehabilitation and operations of the New Life Center and Light House Mission.

Police Witness Fee Fund

Accounts for monies transferred from the General Fund to be used for witness fees.

Police Seized Fund

Accounts for monies received when drug assets are made and money is seized.

Industrial Park Fund

Accounts for funds received from the sale of land, lease income, or rental income in the City's Industrial Park. The funds received are not restricted.

Myrtle Grove Cemetery Fund

Accounts for funds received from the sale of lots in Myrtle Grove Cemetery. These funds are used for the operating and capital expenditures for the Cemetery.

DEBT SERVICE FUND

Local Assessment Fund

Accumulates monies for payment of Paving Certificates, Series 1996 of \$71,049. The Paving Certificates were retired by assessments on the real properties along those applicable portions of streets within corporate limits.

CAPITAL PROJECTS FUNDS

Capital Projects Fund

To account for excess monies from CLECO settlement and other sources designated to be used for operating transfers to other funds as designated by management.

1995 Capital Projects Fund

To account for the expenditures associated with the acquisition of equipment and improving of public buildings financed by Certificates of Indebtedness, Series 1995.

CITY OF OPELOUSAS, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
August 31, 2021
With Comparative Totals as of August 31, 2020

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and cash equivalents	\$ 24,091	\$ 39,660	\$ -	\$ 63,751
Receivables -				
Grants	2,659	-	-	2,659
Due from other funds	<u>20,338</u>	<u>-</u>	<u>288</u>	<u>20,626</u>
TOTAL ASSETS	<u>\$ 47,088</u>	<u>\$ 39,660</u>	<u>\$ 288</u>	<u>\$ 87,036</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	<u>\$ 2,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,606</u>
Fund balances:				
Restricted - debt service	\$ -	\$ 39,660	\$ -	\$ 39,660
Assigned - public safety	33,001	-	-	33,001
Assigned - health and welfare	11,481	-	-	11,481
Assigned - capital expenditures	<u>-</u>	<u>-</u>	<u>288</u>	<u>288</u>
Total fund balances	<u>44,482</u>	<u>39,660</u>	<u>288</u>	<u>84,430</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 47,088</u>	<u>\$ 39,660</u>	<u>\$ 288</u>	<u>\$ 87,036</u>

CITY OF OPELOUSAS, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended August 31, 2021

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Intergovernmental	\$ 19,307	\$ -	\$ -	\$ 19,307
Interest	<u>132</u>	<u>335</u>	<u>-</u>	<u>467</u>
Total revenues	19,439	335	-	19,774
Expenditures:				
Current -				
Public safety	<u>2,676</u>	<u>-</u>	<u>-</u>	<u>2,676</u>
Excess of revenues over expenditures	16,763	335	-	17,098
Other financing uses				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>288</u>	<u>288</u>
Net change in fund balances	16,763	335	288	17,386
Fund balance, beginning	<u>27,719</u>	<u>39,325</u>	<u>-</u>	<u>67,044</u>
Fund balance, ending	<u>\$ 44,482</u>	<u>\$ 39,660</u>	<u>\$ 288</u>	<u>\$ 84,430</u>

INTERNAL SERVICE FUNDS

Internal Service Fund A

Accounts for the billing to various funds and the payment for automobile claims. This fund also accounts for the monies held in a claims account for self-insurance purposes in connection with the above coverage.

Internal Service Fund G

Accounts for the billing to various funds and the payment of general liability claims. This fund also accounts for the monies held in a claims account for self-insurance purposes in connection with the above coverage.

Workmen's Compensation Fund

Accounts for the billing to the various funds and the payment of insurance premiums for workmen's compensation coverage. This fund also accounts for the monies held in a claims account for the self-insured portion of each claim for the above coverage.

Health Self-Insurance Fund

Accounts for the collection of health insurance premiums and the payment of individual claims.

CITY OF OPELOUSAS, LOUISIANA

Combining Statement of Net Position
Internal Service Funds
August 31, 2021

	Internal Service Fund A	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 157,900	\$ 885,656	\$ 1,043,556
Accounts receivable	-	1,064	-	-	1,064
Due from other funds	115,089	-	308,701	-	423,790
Prepaid items	4,298	13,153	-	-	17,451
Total current assets	<u>119,387</u>	<u>14,217</u>	<u>466,601</u>	<u>885,656</u>	<u>1,485,861</u>
Total assets	<u>\$ 119,387</u>	<u>\$ 14,217</u>	<u>\$ 466,601</u>	<u>\$ 885,656</u>	<u>\$ 1,485,861</u>
LIABILITIES AND NET POSITION					
LIABILITIES					
Accounts payable	\$ -	\$ 45,143	\$ 3,265	\$ -	\$ 48,408
Claims payable	-	1,323,500	-	252,570	1,576,070
Due to other funds	-	657,399	-	1,479,204	2,136,603
Total liabilities	<u>-</u>	<u>2,026,042</u>	<u>3,265,000</u>	<u>1,731,774</u>	<u>3,761,081</u>
NET POSITION					
Restricted for insurance claims	-	-	463,336	-	463,336
Unrestricted	119,387	(2,011,825)	-	(846,118)	(2,738,556)
Total net position	<u>119,387</u>	<u>(2,011,825)</u>	<u>463,336</u>	<u>(846,118)</u>	<u>(2,275,220)</u>
Total liabilities and net position	<u>\$ 119,387</u>	<u>\$ 14,217</u>	<u>\$ 466,601</u>	<u>\$ 885,656</u>	<u>\$ 1,485,861</u>

CITY OF OPELOUSAS, LOUISIANA

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended August 31, 2021

	Internal Service Fund A	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Total
Operating revenues:					
Premiums	\$ 402,715	\$ 365,547	\$ 399,199	\$ 1,744,657	\$ 2,912,118
Miscellaneous	-	33,065	-	18,666	51,731
Total operating revenues	<u>402,715</u>	<u>398,612</u>	<u>399,199</u>	<u>1,763,323</u>	<u>2,963,849</u>
Operating expenses:					
Claims	-	382,454	462,986	1,246,640	2,092,080
Insurance	192,434	545,280	-	768,263	1,505,977
Administrative and other	3,000	6,000	10,000	73,954	92,954
Total operating expenses	<u>195,434</u>	<u>933,734</u>	<u>472,986</u>	<u>2,088,857</u>	<u>3,691,011</u>
Operating income (loss)	207,281	(535,122)	(73,787)	(325,534)	(727,162)
Nonoperating revenues (expenses):					
Investment income	<u>526</u>	<u>-</u>	<u>285</u>	<u>451</u>	<u>1,262</u>
Income (loss) before operating transfers	207,807	(535,122)	(73,502)	(325,083)	(725,900)
Other financing sources:					
Operating transfers in (out)	<u>1,511</u>	<u>(82,130)</u>	<u>883</u>	<u>2,250,704</u>	<u>2,170,968</u>
Change in net position	209,318	(617,252)	(72,619)	1,925,621	1,445,068
Net position, beginning	<u>(89,931)</u>	<u>(1,394,573)</u>	<u>535,955</u>	<u>(2,771,739)</u>	<u>(3,720,288)</u>
Net position, ending	<u>\$ 119,387</u>	<u>\$(2,011,825)</u>	<u>\$ 463,336</u>	<u>\$ (846,118)</u>	<u>\$ (2,275,220)</u>

CITY OF OPELOUSAS, LOUISIANA

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended August 31, 2021

	Internal Service Fund A	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Total
Cash flows from operating activities:					
Premiums received	\$ 402,715	\$ 364,483	\$ 399,199	\$ 1,744,657	\$ 2,911,054
Other receipts	-	33,065	-	18,666	51,731
General and administrative expenses paid	(3,000)	(6,000)	(10,000)	(73,954)	(92,954)
Claims paid	-	(20,454)	(462,986)	(1,534,351)	(2,017,791)
Insurance paid	<u>(209,971)</u>	<u>(522,877)</u>	<u>3,265</u>	<u>(768,263)</u>	<u>(1,497,846)</u>
Net cash provided (used) by operating activities	<u>189,744</u>	<u>(151,783)</u>	<u>(70,522)</u>	<u>(613,245)</u>	<u>(645,806)</u>
Cash flows from noncapital financing activities:					
Cash received from (paid to) other funds	<u>(190,270)</u>	<u>151,783</u>	<u>(6,202)</u>	<u>1,492,254</u>	<u>1,447,565</u>
Cash flows from investing activities:					
Interest earnings	<u>526</u>	<u>-</u>	<u>285</u>	<u>451</u>	<u>1,262</u>
Net increase (decrease) in cash and cash equivalents	-	-	(76,439)	879,460	803,021
Cash and cash equivalents, beginning of the year	<u>-</u>	<u>-</u>	<u>234,339</u>	<u>6,196</u>	<u>240,535</u>
Cash and cash equivalents, end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,900</u>	<u>\$ 885,656</u>	<u>\$ 1,043,556</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 207,281	\$(535,122)	\$ (73,787)	\$ (325,534)	\$ (727,162)
Adjustments to reconcile operating loss to net cash used by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	-	(1,064)	-	-	(1,064)
Accounts payable	(17,537)	22,403	3,265	-	8,131
Claims payable	-	362,000	-	(287,711)	74,289
Net cash provided (used) by operating activities	<u>\$ 189,744</u>	<u>\$(151,783)</u>	<u>\$ (70,522)</u>	<u>\$ (613,245)</u>	<u>\$ (645,806)</u>

CITY OF OPELOUSAS, LOUISIANA

Justice System Funding Schedule - Receiving Entity
 As Required by Act 87 of the 2020 Regular Legislative Session
 Cash Basis Presentation
 For the Year Ended August 31, 2021

	First Six Month Period Ended <u>2/28/2021</u>	First Six Month Period Ended <u>8/31/2021</u>
Receipts From:		
Opelousas City Court, Criminal Fines	\$ 26,262	\$ 25,534
Opelousas City Court, Criminal Costs/Fees	480	916
27th Judicial District Court, Asset Forfeitures	<u>9,310</u>	<u>7,337</u>
Total	<u>36,052</u>	<u>33,787</u>
Ending balance of amounts assessed but not received	<u>\$ -</u>	<u>\$ -</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

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

The Honorable Julius Alsandor, Mayor
and Members of the City Council
City of Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opelousas, Louisiana, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Opelousas, Louisiana's basic financial statements and have issued our report thereon dated February 17, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Opelousas, 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 Opelousas, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Opelousas, Louisiana's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of current and prior year audit findings and management's corrective action plan, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2021-001 and 2021-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2021-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Opelousas, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2021-004.

City of Opelousas, Louisiana's Response to Findings

The City of Opelousas, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The City of Opelousas, Louisiana'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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
February 17, 2022

CITY OF OPELOUSAS, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended August 31, 2021

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2021-001 Purchasing Procedures

Fiscal year finding initially occurred: 2018

CONDITION: In our examination of the City's purchasing procedures, we found several instances in which a purchase order or check request was not obtained as required by the purchasing policy.

CRITERIA: The City's purchasing policy requires a purchase order be obtained for all purchases in excess of \$300.

CAUSE: The City has not properly followed its written policies and procedures regarding purchase orders.

EFFECT: Failure to follow written policies and procedure increases the risk of not having continuity of operations and the risk of improper purchases being made.

RECOMMENDATION: Management should comply with its written policies and procedures in the future and ensure purchase orders and/or check requests are obtained for all purchase in excess of the \$300 purchase order threshold.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management will improve enforcement of current policies and procedures.

2021-002 Timekeeping System

Fiscal year finding initially occurred: Unknown

CONDITION: Employees of the City are utilizing the electronic timekeeping system as well as maintaining manual timesheets. These manual timesheets in many instances do not agree to the electronic timekeeping system.

CRITERIA: AU-C§325.05, Communicating Internal Control Related Matters Identified in an Audit, states, in part:

CITY OF OPELOUSAS, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2021

"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 deficiency in design exists when:

- A control necessary to meet the control objectives is missing, or
- An existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met."

CAUSE: The City has not implemented policies and procedures to reconcile the manual and electronic timecards.

EFFECT: Failure to reconcile the manual timesheets and electronic timecards increases the risk of paying employees for time not actually worked.

RECOMMENDATION: Management should implement policies and procedures to reconcile manual timesheets with the electronic timecards to ensure employees are paid for actual time worked.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City will implement policies and procedures to reconcile manual timesheets with the electronic timecards to ensure employees are paid for actual time worked.

2021-003

Insufficient Deposit Account Balance

Fiscal year finding initially occurred: 2019

CONDITION: The City did not maintain a sufficient cash balance in its customer deposit bank account to adequately cover the customer deposit liability.

CRITERIA: Sound business practices require that sufficient cash balances must be maintained in a separate account to fully cover the customer meter deposit liability.

CAUSE: The cause of the condition is the result of cash flow constraints.

EFFECT: Failure to maintain sufficient cash balance in its deposit account to fully cover the customer deposit liability may result in the City being unable to repay customer deposits timely.

CITY OF OPELOUSAS, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2021

RECOMMENDATION: The City should fully fund the customer meter deposit account and maintain a sufficient balance to fully cover the customer meter deposit liability at all times.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City has formulated a plan and will fully fund the customer meter deposit and ensure a sufficient balance is maintained to fully cover the customer meter deposit liability at all times.

B. Compliance

2021-004 Uncollateralized Deposits

Fiscal year finding initially occurred: 2021

CONDITION: The City had unsecured deposits of approximately \$301,707 at one financial institution August 31, 2021.

CRITERIA: LA R.S. 39:1225 states that the amount of the security shall at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposits insured by any governmental agency insuring bank deposits which is organized under the laws of the United States.

CAUSE: The City does did not have adequate controls or policies and procedures established to ensure deposits were properly secured as required by LA R.S. 39:1225.

EFFECT: Failure to fully secure bank balances increases the risk of loss and is a violation of state law.

RECOMMENDATION: The City should implement control procedures to ensure deposits are adequately secured at all times as required by LA R.S. 39:1225.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City received a large deposit shortly before year end which caused the City's total deposits to exceed the total amounts secured. Additional securities were not pledged on August 31, 2021, due to an oversight; however, the matter was corrected by September 3, 2021. All deposits are fully secured as of the date of this report.

CITY OF OPELOUSAS, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2021

C. Management Letter

A management letter was issued related to outstanding loans in the ORECD program.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2020-001 Purchasing Procedures

CONDITION: In our examination of the City's purchasing procedures, we found numerous incidents in which the Police Department failed to obtain purchase orders as required by the purchasing policy. Officers were found to be making several purchases within one day, each under the \$300 purchase order requirement threshold in an apparent effort to avoid obtaining a purchase order.

RECOMMENDATION: Management should comply with its policies and procedures in the future and ensure purchase orders are obtained for all purchases in excess of the \$300 purchase order threshold.

CURRENT STATUS: Partially resolved. See item 2021-001.

2020-002 Timekeeping System

CONDITION: Employees of the City are not consistently utilizing the electronic timekeeping system. Employees maintain manual timesheets that do not agree to the time clock report generated at the end of each pay period.

RECOMMENDATION: Management should enforce its policy requiring employees to utilize the electronic timekeeping system and ensure that electronic timecards are attached to the manual time sheets to evidence actual time worked.

CURRENT STATUS: Partially resolved. See item 2021-002.

CITY OF OPELOUSAS, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2021

2020-003 Lake Payment of Invoices

CONDITION: During the year, the City paid several invoices after the due date resulting in late fees being assessed.

RECOMMENDATION: It is recommended that the City process and pay invoices timely and by the due date to ensure no late fees will be assessed.

CURRENT STATUS: Resolved.

2020-004 Insufficient Deposit Account Balance

CONDITION: The City did not maintain a sufficient cash balance in its customer deposit bank account to adequately cover the customer deposit liability.

RECOMMENDATION: The City should fully fund the customer meter deposit account and maintain a sufficient balance to fully cover the customer meter deposit liability at all times.

CURRENT STATUS: Unresolved. See item 2021-003.

B. Compliance

2020-005 Failure to Publish Minutes

CONDITION: The City did not publish minutes for all of its public meetings within a reasonable period of time during the period September 2019 thru December 2019.

RECOMMENDATION: The City should comply with LA R.S. 42:20B and 43:144 and publish all minutes in accordance with state law.

CURRENT STATUS: Resolved.

2020-006 Noncompliance with Budget Act

CONDITION: The City did not publish a notice of the adoption of the fiscal year 2020 operating budget as required by LA R.S. 39:1307(D).

RECOMMENDATION: The City should implement policies and procedures to ensure all public notices are published in accordance with state law.

CURRENT STATUS: Resolved.

CITY OF OPELOUSAS, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2021

2020-007 Delinquent Fees Assessed by Retirement System

CONDITION: During the year, the City paid \$8,645 in delinquent fees to the Municipal Employees' Retirement System of Louisiana for the late submission of monthly reports and contributions for the period April 2018 through March 2020.

RECOMMENDATION: It is recommended that the City submit reports and retirement contributions to the Municipal Employees' Retirement System monthly by the prescribed due date.

CURRENT STATUS: Resolved.

2020-008 Sale of Assets

CONDITION: The City sold assets at auction that had not yet been declared surplus property by the City Council. The City also failed to advertise the sale of assets that were sent to auction.

RECOMMENDATION: It is recommended that the City fully comply with the provisions of LA R.S. 33:4712 and LA R.S. 49:125 when disposing of surplus property.

CURRENT STATUS: Resolved.

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MANAGEMENT LETTER

The Honorable Julius Alsandor, Mayor
and Members of the City Council
City of Opelousas, Louisiana

We have completed our audit of the basic financial statements of the City of Opelousas, Louisiana for the year ended August 31, 2021, and submit the following recommendation for your consideration:

- (1) No payments have been received on outstanding ORECD program loans receivable in several years. Liens were filed against borrowers in past years. It is recommended that the City consult with legal counsel regarding options available to pursue collection of these past due balances.

In conclusion, we express our appreciation to you and your staff, particularly to your office staff, for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing our recommendations, please feel free to contact us.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
February 17, 2022