

**CITY OF OAKDALE, LOUISIANA**

Financial Report

Year Ended June 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

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\* A Professional Accounting Corporation

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oakdale, Louisiana, (City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 49 - 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The accompanying statement of utility fund operating expenses, justice system funding schedule, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, included in other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of utility fund operating expenses, justice system funding schedule, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the various schedules included in other supplementary information but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any for of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have issued our report dated December 28, 2022, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Oakdale, Louisiana’s internal control over financial reporting and compliance.

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

Oberlin, Louisiana  
December 28, 2022

## **BASIC FINANCIAL STATEMENTS**

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

CITY OF OAKDALE, LOUISIANA

Statement of Net Position

June 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$ 2,640,009	\$ 1,550,764	\$ 4,190,773
Receivables, net	318,462	405,516	723,978
Due from other governmental units	119,737	2,158,165	2,277,902
Internal balances	66,492	(66,492)	-
Restricted assets:			
Cash and interest-bearing deposits	384,168	353,252	737,420
Capital assets:			
Land	532,583	5,082,309	5,614,892
Capital assets, net	<u>5,107,533</u>	<u>6,232,831</u>	<u>11,340,364</u>
Total assets	<u>9,168,984</u>	<u>15,716,345</u>	<u>24,885,329</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plans	<u>560,824</u>	<u>-</u>	<u>560,824</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	934,436	456,909	1,391,345
Accrued interest payable	26,913	22,321	49,234
Customer deposits	-	97,826	97,826
Long-term liabilities:			
Due within one year	108,584	361,000	469,584
Due after one year	1,841,606	7,919,300	9,760,906
Net pension liability	<u>1,350,789</u>	<u>-</u>	<u>1,350,789</u>
Total liabilities	<u>4,262,328</u>	<u>8,857,356</u>	<u>13,119,684</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plans	<u>918,785</u>	<u>-</u>	<u>918,785</u>
NET POSITION			
Net investment in capital assets	3,689,926	5,034,200	8,724,126
Restricted	1,933,603	236,910	2,170,513
Unrestricted	<u>(1,074,834)</u>	<u>1,587,879</u>	<u>513,045</u>
Total net position	<u>\$ 4,548,695</u>	<u>\$ 6,858,989</u>	<u>\$ 11,407,684</u>

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

CITY OF OAKDALE, LOUISIANA

Statement of Activities  
For the Year Ended June 30, 2022

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,224,448	\$ 212,066	\$ 1,403,005	\$ 16,368	\$ 406,991	\$ -	\$ 406,991
Public safety:							
Police	1,080,533	114,413	7,664	-	(958,456)	-	(958,456)
Fire	338,282	-	53,185	-	(285,097)	-	(285,097)
Public works	543,361	-	-	50,413	(492,948)	-	(492,948)
Health and recreation	189,759	-	-	-	(189,759)	-	(189,759)
Interest on long-term debt	78,212	-	-	-	(78,212)	-	(78,212)
Total governmental activities	<u>3,454,595</u>	<u>326,479</u>	<u>1,463,854</u>	<u>66,781</u>	<u>(1,597,481)</u>	<u>-</u>	<u>(1,597,481)</u>
Business-type activities:							
Water	530,304	1,102,999	-	-	-	572,695	572,695
Sewer	711,708	1,100,479	-	226,658	-	615,429	615,429
Total business-type activities	<u>1,242,012</u>	<u>2,203,478</u>	<u>-</u>	<u>226,658</u>	<u>-</u>	<u>1,188,124</u>	<u>1,188,124</u>
Total	<u>\$ 4,696,607</u>	<u>\$ 2,529,957</u>	<u>\$ 1,463,854</u>	<u>\$ 293,439</u>	<u>(1,597,481)</u>	<u>1,188,124</u>	<u>(409,357)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					133,152	-	133,152
Property taxes, levied for fire protection					108,962	-	108,962
Property taxes, levied for debt service					158,740	-	158,740
Sales and use taxes, levied for general purposes					1,535,297	-	1,535,297
Franchise taxes					284,637	-	284,637
Payment in lieu of taxes					17,237	-	17,237
Grants and contributions not restricted to specific programs -							
State sources					8,707	-	8,707
Community grant revenue					272,490	-	272,490
Interest and investment earnings					227	2,115	2,342
Nonemployer pension contribution					54,453	-	54,453
Miscellaneous					453,517	-	453,517
Transfers					(116,301)	116,301	-
Total general revenues and transfers					<u>2,911,118</u>	<u>118,416</u>	<u>3,029,534</u>
Change in net position					1,313,637	1,306,540	2,620,177
Net position - beginning					<u>3,235,058</u>	<u>5,552,449</u>	<u>8,787,507</u>
Net position - ending					<u>\$ 4,548,695</u>	<u>\$ 6,858,989</u>	<u>\$ 11,407,684</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

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

### **Special Revenue Fund**

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

#### **Sales Tax Fund**

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

### **Enterprise Fund**

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

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

CITY OF OAKDALE, LOUISIANA

Balance Sheet - Governmental Funds  
June 30, 2022

	<u>General</u>	<u>Sales Tax</u>	<u>Other Governmental</u>	<u>Total</u>
ASSETS				
Cash and interest-bearing deposits	\$ 1,661,980	\$ 830,635	\$ 531,562	\$ 3,024,177
Receivables -				
Taxes	65,669	252,793	-	318,462
Due from other funds	6,507	-	303,011	309,518
Due from other governmental units	<u>17,237</u>	<u>-</u>	<u>102,500</u>	<u>119,737</u>
Total assets	<u>\$ 1,751,393</u>	<u>\$ 1,083,428</u>	<u>\$ 937,073</u>	<u>\$ 3,771,894</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 795,725	\$ -	\$ 26,129	\$ 821,854
Accrued liabilities	112,582	-	-	112,582
Due to other funds	<u>211,951</u>	<u>-</u>	<u>31,075</u>	<u>243,026</u>
Total liabilities	<u>1,120,258</u>	<u>-</u>	<u>57,204</u>	<u>1,177,462</u>
Fund balances -				
Restricted	-	1,083,428	877,088	1,960,516
Unassigned	<u>631,135</u>	<u>-</u>	<u>2,781</u>	<u>633,916</u>
Total fund balances	<u>631,135</u>	<u>1,083,428</u>	<u>879,869</u>	<u>2,594,432</u>
Total liabilities and fund balances	<u>\$ 1,751,393</u>	<u>\$ 1,083,428</u>	<u>\$ 937,073</u>	<u>\$ 3,771,894</u>

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

CITY OF OAKDALE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2022

Total fund balances for governmental funds at June 30, 2022		\$ 2,594,432
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 532,583	
Buildings, net of \$4,642,672 accumulated depreciation	1,229,180	
Improvements, net of \$652,233 accumulated depreciation	1,706,495	
Infrastructure, net of \$717,948 accumulated depreciation	1,557,934	
Equipment, furniture, and fixtures, net of \$1,439,211 accumulated depreciation	347,399	
Vehicles, net of \$1,302,093 accumulated depreciation	<u>266,525</u>	5,640,116
Deferred outflows of resources are not available resources, and therefore, are not reported in the funds:		
Pension plans		560,824
Deferred inflows of resources are not payable from current expendable resources, and therefore, are not reported in the funds:		
Pension plans		(918,785)
Some liabilities are not due and payable from current financial resources and are, therefore not reported in the funds. These liabilities consist of the following:		
Compensated absences	(30,707)	
Bonds payable	(1,765,000)	
Capital leases	(154,483)	
Accrued interest payable	(26,913)	
Net pension liability	<u>(1,350,789)</u>	<u>(3,327,892)</u>
Total net position of governmental activities at June 30, 2022		<u>\$ 4,548,695</u>

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

CITY OF OAKDALE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended June 30, 2022

	General	Sales Tax	Other Governmental	Total
Revenues:				
Taxes	\$ 417,791	\$ 1,535,297	\$ 267,702	\$ 2,220,790
Licenses and permits	213,244	-	-	213,244
Intergovernmental	1,512,844	-	325,675	1,838,519
Fines and forfeits	114,413	-	-	114,413
Miscellaneous	441,997	69	1,048	443,114
Total revenues	2,700,289	1,535,366	594,425	4,830,080
Expenditures:				
Current -				
General government	1,136,603	31,097	-	1,167,700
Public safety:				
Police	1,181,557	-	-	1,181,557
Fire	-	-	355,717	355,717
Public works	482,290	-	-	482,290
Health and recreation	173,153	-	-	173,153
Capital outlay	126,398	-	66,849	193,247
Debt service	28,512	-	177,447	205,959
Total expenditures	3,128,513	31,097	600,013	3,759,623
Excess (deficiency) of revenues over expenditures	(428,224)	1,504,269	(5,588)	1,070,457
Other financing sources (uses):				
Transfers in	628,888	-	481,887	1,110,775
Transfers out	-	(1,090,831)	(136,245)	(1,227,076)
Total other financing sources (uses)	628,888	(1,090,831)	345,642	(116,301)
Net change in fund balance	200,664	413,438	340,054	954,156
Fund balances, beginning	430,471	669,990	539,815	1,640,276
Fund balances, ending	\$ 631,135	\$ 1,083,428	\$ 879,869	\$ 2,594,432

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

CITY OF OAKDALE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2022

Total net changes in fund balances for the year ended June 30, 2022 per the  
statement of revenues, expenditures and changes in fund balances \$ 954,156

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

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

Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 193,247	
Depreciation expense for the year ended June 30, 2022	<u>(375,273)</u>	(182,026)

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.

Repayment of long-term debt		128,176
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Some expenses reported in the statement of activities do not require the use  
of current financial resources, and therefore, are not reported as  
expenditures in the governmental funds.

Compensated absences	(11,982)	
Accrued interest	(429)	
Net pension liability	<u>425,742</u>	<u>413,331</u>

Total changes in net position for the year ended June 30, 2022 per the  
statement of activities \$ 1,313,637

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

CITY OF OAKDALE, LOUISIANA

Statement of Net Position  
 Proprietary Fund  
 June 30, 2022

	<u>Enterprise Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and interest-bearing deposits	\$ 1,550,764
Receivables -	
Accounts, net	405,516
Due from other governmental units	<u>2,158,165</u>
Total current assets	<u>4,114,445</u>
Noncurrent assets:	
Restricted assets-	
Cash and interest-bearing deposits	<u>353,252</u>
Land	5,082,309
Capital assets, net	<u>6,232,831</u>
Total noncurrent assets	<u>11,668,392</u>
Total assets	<u>15,782,837</u>
<b>LIABILITIES</b>	
Current liabilities (payable from current assets):	
Accounts and other payables	283,466
Construction and retainage payable	173,443
Due to other funds	<u>66,492</u>
Total	<u>523,401</u>
Current liabilities (payable from restricted assets):	
Customer deposits	97,826
Revenue bonds	361,000
Accrued interest payable	<u>22,321</u>
Total	<u>481,147</u>
Total current liabilities	1,004,548
Noncurrent liabilities:	
Revenue bonds	<u>7,919,300</u>
Total liabilities	<u>8,923,848</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,034,200
Restricted	236,910
Unrestricted	<u>1,587,879</u>
Total net position	<u>\$ 6,858,989</u>

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

CITY OF OAKDALE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position  
 Proprietary Fund  
 For the Year Ended June 30, 2022

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Water charges	\$ 1,102,999
Sewer charges	<u>1,100,479</u>
Total operating revenues	<u>2,203,478</u>
Operating expenses:	
Water department	530,304
Sewer department	<u>649,831</u>
Total operating expenses	<u>1,180,135</u>
Operating income	1,023,343
Nonoperating revenues:	
Interest income	2,115
Interest and fiscal charges	<u>(61,877)</u>
Total nonoperating income	<u>(59,762)</u>
Income before contributions and transfers	963,581
Capital contributions	<u>226,658</u>
Income before transfers	1,190,239
Transfers:	
Transfers in (out)	<u>116,301</u>
Change in net position	1,306,540
Net position, beginning	<u>5,552,449</u>
Net position, ending	<u>\$6,858,989</u>

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

CITY OF OAKDALE, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund  
 For the Year Ended June 30, 2022

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 2,003,809
Payments to suppliers	(370,238)
Payments to employees	<u>(138,798)</u>
Net cash provided by operating activities	<u>1,494,773</u>
Cash flows from noncapital financing activities:	
Net increase in customer deposits payable	7,268
Net transfers received from other funds	<u>182,793</u>
Net cash provided by noncapital financing activities	<u>190,061</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bond maturities	(394,659)
Interest paid on revenue bonds	(44,434)
Capital contributions	4,021,303
Net purchase of capital assets	<u>(4,481,272)</u>
Net cash used by capital and related financing activities	<u>(899,062)</u>
Cash flows from investing activities:	
Net maturities (purchases) of investments	(1,218)
Interest received on interest-bearing deposits	<u>2,115</u>
Net cash provided by investing activities	<u>897</u>
Net increase in cash and cash equivalents	786,669
Cash and cash equivalents, beginning of period	<u>1,036,027</u>
Cash and cash equivalents, end of period	<u>\$ 1,822,696</u>

(continued)

CITY OF OAKDALE, LOUISIANA

Statement of Cash Flows (Continued)  
 Proprietary Fund  
 For the Year Ended June 30, 2022

	<u>Enterprise Fund</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,023,343
Adjustments to reconcile operating income to net cash provided by operating activities -	
Depreciation	411,229
Changes in current assets and liabilities:	
Increase accounts receivable	(199,669)
Increase in accounts payable	<u>259,870</u>
Net cash provided by operating activities	<u>\$ 1,494,773</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash and interest-bearing deposits - unrestricted	\$ 266,194
Interest-bearing deposits - restricted	849,935
Less: Certificates of deposit with a maturity greater than three months when purchased	<u>(80,102)</u>
Total cash and cash equivalents	<u>1,036,027</u>
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits - unrestricted	1,550,764
Interest-bearing deposits - restricted	353,252
Less: Certificates of deposit with a maturity greater than three months when purchased	<u>(81,320)</u>
Total cash and cash equivalents	<u>1,822,696</u>
Net increase	<u>\$ 786,669</u>

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

## CITY OF OAKDALE, LOUISIANA

### Notes to Basic Financial Statements

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

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

##### A. Financial Reporting Entity

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

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

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

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

## CITY OF OAKDALE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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

#### B. Basis of Presentation

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

The government-wide financial statements provide operational accountability information for the City as an economic unit. The government-wide financial statements report the City's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the primary government. The City has no fiduciary funds.

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

##### Fund Financial Statements

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

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

## CITY OF OAKDALE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Governmental Funds -

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

#### General Fund

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

#### Special Revenue Funds

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

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

#### Capital Projects Funds

Capital Projects Funds are used to report resources that are restricted, committed, or assigned to expenditures for major capital acquisition and construction separately from ongoing operational activities. The City has 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 OAKDALE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Proprietary Funds –

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

#### Enterprise Funds

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

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

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

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

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

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is grant revenue collected on a reimbursement basis.

## CITY OF OAKDALE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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

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

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

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

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

##### Cash, interest-bearing deposits, and investments

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

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

## CITY OF OAKDALE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customers' utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The City did not report an allowance for customers' utility receivables at June 30, 2022 due to immateriality. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

#### Interfund receivables and payables

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

#### Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022 are recorded as prepaid items. The City utilizes the consumption method to account for prepaid items.

#### Restricted Assets

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

#### Capital Assets

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

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Buildings and improvements	40 years
Infrastructure	20-50 years
Equipment and furniture	3-20 years
Vehicles	5 years
Utility system and improvements	20-50 years

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

Long-term debt

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

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

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

Compensated Absences

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

## CITY OF OAKDALE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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

#### Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense (See Note 12), have been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Member's earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Non-employer contributions are recognized as revenue in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when made.

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

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

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

#### Equity Classifications

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

- a. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- b. Restricted net position consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, and contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation. At June 30, 2022, the City reported \$2,170,513 of restricted net position, \$1,083,428 of which was restricted by enabling legislation. It is the City's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.
- c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

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

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

E. Revenues, Expenditures, and Expenses

Revenues

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

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

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

Substantially all other revenues are recorded when received.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

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

G. Use of Estimates

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended June 30, 2022, taxes of 19.51 mills were levied on property with assessed valuations totaling \$20,481,620 and were dedicated as follows:

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

Total taxes levied were \$400,854. Taxes receivable at June 30, 2022 totaled \$5,353.

(3) Sales and Use Tax

A. Proceeds of the 1% sales and use tax levied by the City of Oakdale, Louisiana, (2022 collections \$1,177,684) are dedicated for the following purposes in the following order:

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

B. Proceeds of the 0.3% sales and use tax levied by the City of Oakdale, Louisiana, (2022 collections \$357,613) are dedicated to the following purposes:

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Cash, Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2022, the City had cash and interest-bearing deposits (book balances) as follows

Money market accounts	\$ 4,846,873
Time deposits	<u>81,320</u>
Total	<u>\$ 4,928,193</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2022, are secured as follows:

Bank balances	<u>\$ 4,943,737</u>
Federal deposit insurance	\$ 548,758
Pledged securities	<u>4,394,979</u>
Total	<u>\$ 4,943,737</u>

Deposits in the amount of \$4,394,979 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Receivables

Receivables at June 30, 2022 consist of the following:

	Governmental Activities	Business-Type Activities	Total
Accounts, net	\$ -	\$ 405,516	\$ 405,516
Ad valorem tax	5,353	-	5,353
Sales tax	252,793	-	252,793
Franchise tax	60,316	-	60,316
Totals	<u>\$ 318,462</u>	<u>\$ 405,516</u>	<u>\$ 723,978</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2022 consist of the following:

Governmental activities:		
Oakdale Housing Authority - PILOT		\$ 17,237
Coushatta Tribe of Louisiana - gaming revenue		102,500
Business-type activities:		
State of Louisiana - Department of Health and Hospitals		1,965,160
State of Louisiana - Department of Environmental Quality		193,005
Total		<u>\$ 2,277,902</u>

(7) Restricted Assets

Restricted assets consist of the following at June 30, 2022:

Governmental activities:		
Bond reserve and sinking funds		\$ 384,168
Business-type activities:		
Construction		10,035
Customer deposits		97,826
Revenue bond reserve and sinking funds		245,391
Total restricted assets		<u>\$ 737,420</u>

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2022 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 532,583	\$ -	\$ -	\$ 532,583
Other capital assets:				
Buildings	5,871,852	-	-	5,871,852
Improvements	2,358,728	-	-	2,358,728
Infrastructure	2,209,033	66,849	-	2,275,882
Vehicles	1,492,684	75,934	-	1,568,618
Equipment, furniture, and fixtures	1,736,146	50,464	-	1,786,610
Totals	<u>14,201,026</u>	<u>193,247</u>	<u>-</u>	<u>14,394,273</u>
Less accumulated depreciation				
Buildings	4,576,502	66,170	-	4,642,672
Improvements	565,355	86,878	-	652,233
Infrastructure	644,380	73,568	-	717,948
Vehicles	1,238,124	63,969	-	1,302,093
Equipment, furniture, and fixtures	1,354,523	84,688	-	1,439,211
Total accumulated depreciation	<u>8,378,884</u>	<u>375,273</u>	<u>-</u>	<u>8,754,157</u>
Governmental activities, capital assets, net	<u>\$ 5,822,142</u>	<u>\$ (182,026)</u>	<u>\$ -</u>	<u>\$ 5,640,116</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 70,543	\$ -	\$ -	\$ 70,543
Construction in progress	1,336,851	3,674,915	-	5,011,766
Other capital assets:				
Water system	4,288,266	-	-	4,288,266
Sewer system	13,371,099	-	-	13,371,099
Totals	<u>19,066,759</u>	<u>3,674,915</u>	<u>-</u>	<u>22,741,674</u>
Less accumulated depreciation				
Water system	2,646,585	106,699	-	2,753,284
Sewer system	8,368,720	304,530	-	8,673,250
Total accumulated depreciation	<u>11,015,305</u>	<u>411,229</u>	<u>-</u>	<u>11,426,534</u>
Business-type activities, capital assets, net	<u>\$ 8,051,454</u>	<u>\$ 3,263,686</u>	<u>\$ -</u>	<u>\$ 11,315,140</u>

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 56,830
Police	41,947
Fire	44,001
Public works	215,889
Health and recreation	<u>16,606</u>
Total depreciation expense	<u>\$ 375,273</u>

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

Water	\$ 106,699
Sewer	<u>304,530</u>
Total depreciation expense	<u>\$ 411,229</u>

(9) Accounts and Other Payables

Accounts and other payables at June 30, 2022 consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts payable	\$ 821,854	\$ 283,466	\$ 1,105,320
Accrued liabilities	112,582	-	112,582
Construction and retainage payable	<u>-</u>	<u>173,443</u>	<u>173,443</u>
Totals	<u>\$ 934,436</u>	<u>\$ 456,909</u>	<u>\$ 1,391,345</u>

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(10) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the City for the year ended June 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount due in one year</u>
Long-term debt:					
Direct placements:					
Revenue bonds	\$ 8,674,959	\$ -	\$ 394,659	\$ 8,280,300	\$ 361,000
General obligation bonds	1,845,000	-	80,000	1,765,000	85,000
Capital leases	202,659	-	48,176	154,483	23,584
Other liabilities:					
Compensated absences	18,725	11,982	-	30,707	-
	<u>\$ 10,741,343</u>	<u>\$ 11,982</u>	<u>\$ 522,835</u>	<u>\$ 10,230,490</u>	<u>\$ 469,584</u>

Bonds payable at June 30, 2022 are comprised of the following individual issues:

Governmental activities:

General obligation bonds:

\$2,000,000 General Obligation Bonds, Series 2018, due in annual installments of \$75,000 - \$140,000 through March 1, 2038; interest at 1.25% - 4.50%, secured by ad valorem tax collections \$ 1,765,000

Business-type activities

Revenue bonds:

\$3,146,000 Sewer Revenue Bonds, Series 2010, due in annual installments of \$143,000 - \$172,000 through October 1, 2031; interest at 0.450%; secured by sewer system revenues \$ 1,647,000

\$3,800,000 Taxable Water Revenue Bonds, Series 2021, due in annual installments of \$149,000 - \$238,000 through September 1, 2040; interest at 2.45%, for the purpose of constructing and acquiring improvements, extensions and replacements to the waterworks system of the City. The bonds were sold to the Louisiana Department of Health and Hospitals, Drinking Water Revolving Loan Fund. 3,788,000  
(continued)

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

2,845,300

Total bonds payable applicable to business-type activities

\$ 8,280,300

Capital leases payable at June 30, 2022 consist of the following:

	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>
Fire equipment	\$ 241,071	09/15/28	3.500%	\$ 127,815
Fire radios	<u>36,779</u>	02/05/26	4.89%	<u>26,668</u>
	<u>\$ 277,850</u>			<u>\$ 154,483</u>

Annual debt service requirements of bonds outstanding are as follows:

Year ending June 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Principal payments</u>	<u>Interest payments</u>	<u>Principal payments</u>	<u>Interest payments</u>	<u>Principal payments</u>	<u>Interest payments</u>
2023	\$ 85,000	\$ 66,182	\$ 450,000	\$ 116,487	\$ 535,000	\$ 182,669
2024	85,000	64,482	459,000	113,099	544,000	177,581
2025	90,000	62,570	465,000	107,156	555,000	169,726
2026	95,000	60,320	471,000	101,022	566,000	161,342
2027	95,000	57,470	479,000	94,809	574,000	152,279
2028 - 2032	535,000	225,692	2,501,000	376,636	3,036,000	602,328
2033 - 2037	640,000	113,996	2,469,300	212,449	3,109,300	326,445
2038 - 2042	<u>140,000</u>	<u>6,700</u>	<u>986,000</u>	<u>34,398</u>	<u>1,126,000</u>	<u>41,098</u>
Total	<u>\$ 1,765,000</u>	<u>\$ 657,412</u>	<u>\$ 8,280,300</u>	<u>\$ 1,156,056</u>	<u>\$ 10,045,300</u>	<u>\$ 1,813,468</u>

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Year Ending June 30	Governmental Activities
2023	\$ 29,252
2024	29,253
2025	29,253
2026	25,086
2027	20,916
2028 - 2031	41,834
Less: Amount representing interest	<u>(21,111)</u>
Present value of future minimum lease payments	<u>\$ 154,483</u>

Leased equipment and vehicles under capital leases included in capital assets at June 30, 2022 are as follows:

Equipment and vehicles	\$ 277,850
Less: Accumulated depreciation	<u>(137,150)</u>
Net	<u>\$ 140,700</u>

Depreciation of leased equipment and vehicles under capital leases in the amount of \$23,427 for the year ended June 30, 2022 is included in depreciation expense.

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Flow of Funds; Restrictions on Use

Business-type activities:

Sewer Revenue Bonds, Series 2010

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

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

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

During the year ended June 30, 2022, the monthly sinking, reserve, and depreciation and contingency fund transfers were made as required by the agreement.

Taxable Water Revenue Bonds, Series 2021

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

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

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

During the year ended June 30, 2022, the monthly sinking, reserve, and depreciation and contingency fund transfers were made as required by the agreement.

Taxable Sewer Revenue Bonds, Series 2021

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

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

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

During the year ended June 30, 2022, the monthly sinking, reserve, and depreciation and contingency fund transfers were made as required by the agreement.

(12) Pension Plans

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

**Plan Descriptions**

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

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

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

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

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

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

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

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

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

**Contributions**

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

not participating employers in the pension systems and are considered to be nonemployer contributing entities. Contributions of employers, and nonemployer contributing entities effective for the year ended June 30, 2022 for the defined benefit pension plans in which the City is a participating employer were as follows:

Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Amount from Nonemployer Contributing Entities	Amount of Government Contributions
MERS	10.00%	29.50%	\$ 17,690	\$ 157,042
MPERS	10.00%	33.75%	16,080	81,464
FRS	10.00%	33.75%	20,683	56,414
LASERS	11.50%	43.70%	-	7,776

**Net Pension Liability**

The City's net pension liability at June 30, 2022 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plans' measurement date (June 30, 2021 for all plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers.

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

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
MERS	\$ 659,411	0.237070%	-0.037476%
MPERS	383,565	0.071956%	-0.018778%
FRS	256,571	0.072399%	0.011208%
LASERS	51,242	0.000931%	0.000088%
Total	<u>\$ 1,350,789</u>		

Since the measurement date of the net pension liability was June 30, 2021, the net pension liability is based upon fiduciary net position for each of the plans as of that date. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for that fiscal year. The financial report for each plan may be accessed on their website as follows:

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

**Actuarial Assumptions**

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

	MERS	MPERS	FRS	LASERS
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019	7/1/2014 - 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.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

**Cost of Living Adjustments**

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

**Discount Rate**

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

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>
Discount rate	6.85%	6.75%	6.90%	7.40%
Change in discount rate from prior valuation	-0.10%	-0.20%	-0.10%	-0.15%
Plan cash flow assumptions	(1)	(1)	(1)	(1)
Rates incorporated in the Discount Rate:				
Long-term Rate of Return	6.85%	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 OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Asset Class	MERS*		MPERS*		FRS*		LASERS**
	Target Allocation	Long-term Expected 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>5.31%</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 June 30, 2022, the City recognized \$371,289 in pension expense (benefit) related to all defined benefit plans in which it participates. MERS, MPERS, and FRS recognized revenues in the amount of \$54,453 in ad valorem taxes and insurance premium tax monies collected from nonemployer contributing entities

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 3,950	\$ 42,394
Changes of assumptions	123,427	10,941
Net difference between projected and actual earnings on pension plan investments	-	532,536
Change in proportion and differences between employer contributions and proportionate share of contributions	130,751	332,914
Employer contributions subsequent to the measurement date	<u>302,696</u>	<u>-</u>
Total	<u>\$ 560,824</u>	<u>\$ 918,785</u>

Deferred outflows of resources of \$302,696 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended June 30	Net Amount Recognized in Pension Expense
<u>                    </u>	<u>                    </u>
2023	\$ (174,371)
2024	(207,109)
2025	(152,269)
2026	(158,462)
2027	18,392
Thereafter	<u>13,162</u>
	<u>\$ (660,657)</u>

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

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.85%	\$ 976,621	\$ 659,411	\$ 391,483
MPERS	6.75%	668,493	383,565	145,746
FRS	6.90%	492,213	256,571	60,049
LASERS	7.40%	69,429	51,242	35,767
Total		<u>\$ 2,206,756</u>	<u>\$ 1,350,789</u>	<u>\$ 633,045</u>

**Payables to Pension Plans**

At June 30, 2022, the City reported payables of \$40,152 for the outstanding amount of contributions due to the retirement systems for the year.

(13) Litigation and Claims

At June 30, 2022, the City of Oakdale was a defendant in several lawsuits. The City's legal counsel has reviewed the claims and lawsuits, in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City not covered by insurance. As a result of the review, no additional claims payable was required to be recorded as a liability to the City, which are not considered covered by insurance.

(14) Risk Management

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

(15) On-Behalf Payment of Salaries

The State of Louisiana paid the City's policemen and firemen \$29,232 of supplemental pay during the year ended June 30, 2022. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide, General Fund, and Other Governmental Funds financial statements.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at June 30, 2022:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 6,507	\$ 211,951
Non major governmental funds:		
Fire Department Fund	59,985	31,075
Bonded Debt Fund	<u>243,026</u>	<u>-</u>
Total governmental funds	<u>309,518</u>	<u>243,026</u>
Proprietary funds:		
Utility Fund	<u>-</u>	<u>66,492</u>
Total	<u>\$ 309,518</u>	<u>\$ 309,518</u>

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

B. Transfers consist of the following at June 30, 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 628,888	\$ -
Sales Tax Fund	-	1,090,831
Street Improvement Capital Projects Fund	20,049	-
Non major governmental funds:		
Gaming Fund	-	136,245
Fire Department Fund	285,026	-
Bonded Debt Fund	<u>176,812</u>	<u>-</u>
Total governmental funds	1,110,775	1,227,076
Proprietary funds:		
Utility Fund	<u>1,153,754</u>	<u>1,037,453</u>
Total	<u>\$ 2,264,529</u>	<u>\$ 2,264,529</u>

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

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

A detail of compensation, benefits, and other payments paid to Mayor Gene Paul for the year ended June 30, 2022 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 45,000
Benefits - insurance	4,594
Benefits - retirement	13,112
Reimbursements	5,653
Travel	<u>1,670</u>
	<u>\$ 70,029</u>

(18) Compensation of City Officials

A detail of compensation paid to the Mayor and Council Members for the year ended June 30, 2022 follows:

Gene Paul, Mayor	\$ 45,000
Council Members:	
George Ashy II	10,200
Jeremy Smith	8,400
Cassandra Allison	8,400
Frederick Douglas	8,400
Ervin Willis	<u>8,400</u>
Total	<u>\$ 88,800</u>

**REQUIRED  
SUPPLEMENTARY INFORMATION**

CITY OF OAKDALE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
Taxes	\$ 412,000	\$ 738,256	\$ 417,791	\$ (320,465)
Licenses and permits	209,996	213,086	213,244	158
Intergovernmental	111,742	2,699,672	1,512,844	(1,186,828)
Fines and forfeits	58,275	113,873	114,413	540
Miscellaneous	130,373	221,761	441,997	220,236
Total revenues	<u>922,386</u>	<u>3,986,648</u>	<u>2,700,289</u>	<u>(1,286,359)</u>
<b>Expenditures:</b>				
Current -				
General government	818,124	902,378	1,136,603	(234,225)
Public safety:				
Police	1,053,027	1,184,265	1,181,557	2,708
Public works	497,119	491,314	482,290	9,024
Health and recreation	125,537	156,425	173,153	(16,728)
Capital outlay	-	166,342	126,398	39,944
Debt service	19,841	29,199	28,512	687
Total expenditures	<u>2,513,648</u>	<u>2,929,923</u>	<u>3,128,513</u>	<u>(198,590)</u>
Deficiency of revenues over expenditures	(1,591,262)	1,056,725	(428,224)	(1,484,949)
<b>Other financing sources:</b>				
Transfers in	-	-	628,888	628,888
Transfers out	(268,215)	(145,885)	-	145,885
Total other financing sources (uses)	<u>(268,215)</u>	<u>(145,885)</u>	<u>628,888</u>	<u>774,773</u>
Net change in fund balance	(1,859,477)	910,840	200,664	(710,176)
Fund balance, beginning	<u>430,471</u>	<u>430,471</u>	<u>430,471</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (1,429,006)</u>	<u>\$ 1,341,311</u>	<u>\$ 631,135</u>	<u>\$ (710,176)</u>

The accompanying notes are an integral part of this schedule.

CITY OF OAKDALE, LOUISIANA  
Sales Tax Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2022

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 900,000	\$ 1,559,824	\$ 1,535,297	\$ (24,527)
Miscellaneous - interest	<u>343,890</u>	<u>-</u>	<u>69</u>	<u>69</u>
Total revenues	<u>1,243,890</u>	<u>1,559,824</u>	<u>1,535,366</u>	<u>(24,458)</u>
Expenditures:				
Current -				
General government:				
Collection fees	<u>-</u>	<u>31,000</u>	<u>31,097</u>	<u>(97)</u>
Excess of revenues over expenditures	1,243,890	1,528,824	1,504,269	(24,555)
Other financing uses:				
Transfers out	<u>-</u>	<u>(941,690)</u>	<u>(1,090,831)</u>	<u>(149,141)</u>
Net change in fund balance	1,243,890	587,134	413,438	(173,696)
Fund balance, beginning	<u>669,990</u>	<u>669,990</u>	<u>669,990</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,913,880</u>	<u>\$ 1,257,124</u>	<u>\$ 1,083,428</u>	<u>\$ (173,696)</u>

The accompanying notes are an integral part of this schedule.

CITY OF OAKDALE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2022 \*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>Municipal Employees' Retirement System of Louisiana - Plan A:</b>					
2022	0.237070%	\$ 659,411	\$ 458,466	143.8%	77.82%
2021	0.274546%	1,186,975	500,020	237.4%	64.52%
2020	0.291864%	1,219,601	523,646	232.9%	64.68%
2019	0.291401%	1,206,598	513,968	234.8%	63.94%
2018	0.282155%	1,180,373	508,133	232.3%	62.49%
2017	30.442200%	1,247,738	541,947	230.2%	62.11%
2016	0.355219%	1,268,898	596,083	212.9%	66.18%
2015	0.355441%	912,220	612,943	148.8%	73.99%
<b>Municipal Police Employees' Retirement System of Louisiana:</b>					
2022	0.071956%	\$ 383,565	\$ 219,524	174.7%	84.09%
2021	0.090734%	838,594	253,279	331.1%	70.94%
2020	0.100987%	917,131	268,297	341.8%	71.01%
2019	0.082063%	693,766	291,545	238.0%	71.89%
2018	0.136121%	1,188,394	412,690	288.0%	70.08%
2017	0.147320%	1,380,803	373,969	369.2%	66.04%
2016	0.122289%	958,006	394,627	242.8%	70.73%
2015	0.136625%	854,737	387,367	220.7%	75.10%
<b>Firefighters' Retirement System of Louisiana:</b>					
2022	0.072399%	\$ 256,571	\$ 181,596	141.3%	86.78%
2021	0.061191%	424,138	152,342	278.4%	72.61%
2020	0.056299%	352,539	136,067	259.1%	73.96%
2019	0.053170%	305,838	126,588	241.6%	74.76%
2018	0.065821%	377,276	153,682	245.5%	73.55%
2017	0.072197%	472,234	162,787	290.1%	68.16%
2016	0.067254%	362,977	136,935	265.1%	72.45%
2015	0.058989%	262,496	132,173	198.6%	76.02%
<b>Louisiana State Employees' Retirement System:</b>					
2022	0.000931%	\$ 51,242	\$ 17,827	287.4%	72.80%
2021	0.000843%	69,722	18,083	385.6%	58.00%
2020	0.000874%	63,321	18,083	350.2%	62.90%
2019	0.000913%	62,266	18,083	344.3%	64.30%
2018	0.000947%	66,658	17,388	383.4%	62.50%
2017	0.000940%	73,971	16,692	443.2%	57.70%
2016	0.001050%	71,484	17,388	411.1%	62.70%

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

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

The accompanying notes are an integral part of this schedule.

CITY OF OAKDALE, LOUISIANA

Schedule of Employer Contributions  
For the Year Ended June 30, 2022

Year ended June 30,	Contractually Required Contribution	Employer Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
<b>Municipal Employees' Retirement System of Louisiana - Plan A:</b>					
2022	\$ 157,041	\$ 157,042	\$ (1)	\$ 532,343	29.50%
2021	135,247	135,248	(1)	458,466	29.50%
2020	138,756	138,756	-	500,020	27.75%
2019	136,148	136,148	-	523,646	26.00%
2018	127,207	127,207	-	513,968	24.75%
2017	115,600	115,600	-	508,133	22.75%
2016	107,035	107,035	-	541,947	19.75%
2015	117,726	117,726	-	596,083	19.75%
<b>Municipal Police Employees' Retirement System of Louisiana:</b>					
2022	\$ 81,464	\$ 81,464	\$ -	\$ 273,827	29.75%
2021	74,089	74,090	(1)	219,524	33.75%
2020	82,316	82,316	-	253,279	32.50%
2019	86,526	86,526	-	268,297	32.25%
2018	89,650	89,650	-	291,545	30.75%
2017	131,029	131,029	-	412,690	31.75%
2016	110,321	110,321	-	373,969	29.50%
2015	124,308	124,308	-	394,627	31.50%
<b>Firefighters' Retirement System of Louisiana:</b>					
2022	\$ 55,775	\$ 56,414	\$ (639)	\$ 165,259	34.14%
2021	58,565	58,565	-	181,596	32.25%
2020	42,275	42,275	-	152,342	27.75%
2019	36,058	36,058	-	136,067	26.50%
2018	33,546	37,339	(3,793)	126,588	29.50%
2017	38,805	38,805	-	153,682	25.25%
2016	44,359	44,360	(1)	162,787	27.25%
2015	40,053	40,054	(1)	136,935	29.25%
<b>Louisiana State Employees' Retirement System:</b>					
2022	\$ 7,776	\$ 7,776	\$ -	\$ 18,083	43.00%
2021	7,576	7,572	4	17,827	42.47%
2020	7,667	7,667	-	18,083	42.40%
2019	7,251	7,251	-	18,083	40.10%
2018	7,251	7,251	-	18,083	40.10%
2017	6,973	6,607	366	17,388	38.00%
2016	6,360	6,360	-	16,692	38.10%

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

The accompanying notes are an integral part of this schedule.

CITY OF OAKDALE, LOUISIANA

Notes to Required Supplementary Information

(1) Budget and Budgetary Accounting

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

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

(2) Excess of Expenditures Over Appropriations

The General Fund and the Sales Tax Special Revenue Fund incurred expenditures in excess of appropriations totaling \$198,590 and \$97, respectively, for the year ended June 30, 2022.

CITY OF OAKDALE, LOUISIANA

Notes to Required Supplementary Information

(3) Pension Plans

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

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 June 30, 2022 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
June 30,	Rate	of Return	Rate	Service Lives	Increase
<b>Municipal Employees' Retirement System of Louisiana - Plan A:</b>					
2022	6.85%	6.85%	2.50%	3	4.5-6.4%
2021	6.95%	6.95%	2.50%	3	4.5-6.4%
2020	7.00%	7.00%	2.50%	3	4.5-6.4%
2019	7.275%	7.275%	2.60%	3	5.00%
2018	7.40%	7.40%	2.775%	4	5.00%
2017	7.50%	7.50%	2.875%	4	5.00%
2016	7.50%	7.50%	2.875%	4	5.00%
2015	7.75%	7.75%	3.00%	4	5.75%
<b>Municipal Police Employees' Retirement System of Louisiana:</b>					
2022	6.75%	6.75%	2.50%	4	4.70-12.30%
2021	6.95%	6.95%	2.50%	4	4.70-12.30%
2020	7.125%	7.125%	2.50%	4	4.25-9.75%
2019	7.20%	7.20%	2.60%	4	4.25-9.75%
2018	7.325%	7.325%	2.70%	4	4.25-9.75%
2017	7.50%	7.50%	2.875%	4	4.25-9.75%
2016	7.50%	7.50%	2.875%	4	4.25-9.75%
2015	7.50%	7.50%	3.00%	4	4.0-10.0%
<b>Firefighters' Retirement System of Louisiana:</b>					
2022	6.90%	6.90%	2.50%	7	5.2-14.10%
2021	7.00%	7.00%	2.50%	7	5.2-14.10%
2020	7.15%	7.15%	2.50%	7	4.5-14.75%
2019	7.30%	7.30%	2.70%	7	4.75-15.0%
2018	7.40%	7.40%	2.775%	7	4.75-15.0%
2017	7.50%	7.50%	2.875%	7	4.75-15.0%
2016	7.50%	7.50%	2.875%	7	4.75-15.0%
2015	7.50%	7.50%	3.00%	7	5.5-14.0%

CITY OF OAKDALE, LOUISIANA

Notes to Required Supplementary Information

*		Investment		Expected	Projected
Year ended	Discount	Rate	Inflation	Remaining	Salary
<u>June 30,</u>	<u>Rate</u>	<u>of Return</u>	<u>Rate</u>	<u>Service Lives</u>	<u>Increase</u>
<b>Louisiana State Employees' Retirement System:</b>					
2022	7.40%	7.40%	2.30%	2	2.6-13.8%
2021	7.55%	7.55%	2.30%	2	3.0-13.8%
2020	7.60%	7.60%	2.50%	2	3.2-13.0%
2019	7.65%	7.65%	2.75%	3	3.8-12.8%
2018	7.70%	7.70%	2.75%	3	3.8-12.8%
2017	7.75%	7.75%	3.00%	3	4.0-13.0%
2016	7.75%	7.75%	3.00%	3	4.0-13.0%
2015	7.75%	7.75%	3.00%	3	4.1-13.0%

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

**OTHER SUPPLEMENTARY INFORMATION**

**OTHER FINANCIAL INFORMATION**

CITY OF OAKDALE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Taxes:				
Ad valorem	\$ 132,000	\$ 437,426	\$ 133,154	\$ (304,272)
Franchise tax	<u>280,000</u>	<u>300,830</u>	<u>284,637</u>	<u>(16,193)</u>
Total taxes	<u>412,000</u>	<u>738,256</u>	<u>417,791</u>	<u>(320,465)</u>
Licenses and permits:				
Occupational licenses	<u>209,996</u>	<u>213,086</u>	<u>213,244</u>	<u>158</u>
Intergovernmental:				
State of Louisiana -				
Highway maintenance	9,450	9,450	9,450	-
Grants	70,000	2,655,782	1,477,450	(1,178,332)
Beer taxes	10,292	9,498	8,707	(791)
Housing Authority	<u>22,000</u>	<u>24,942</u>	<u>17,237</u>	<u>(7,705)</u>
Total intergovernmental	<u>111,742</u>	<u>2,699,672</u>	<u>1,512,844</u>	<u>(1,186,828)</u>
Fines and court costs	<u>58,275</u>	<u>113,873</u>	<u>114,413</u>	<u>540</u>
Miscellaneous:				
Interest income	48	87	110	23
Rent	59,000	61,480	62,245	765
Other sources	<u>71,325</u>	<u>160,194</u>	<u>379,642</u>	<u>219,448</u>
Total miscellaneous	<u>130,373</u>	<u>221,761</u>	<u>441,997</u>	<u>220,236</u>
Total revenues	<u>\$922,386</u>	<u>\$3,986,648</u>	<u>\$ 2,700,289</u>	<u>\$ (1,286,359)</u>

CITY OF OAKDALE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Current:				
General government -				
Legislative:				
Salaries	\$ 46,200	\$ 43,800	\$ 43,800	\$ -
Employee health insurance	13,050	13,405	13,405	-
Payroll taxes	3,574	3,351	3,351	-
Travel and meetings	3,000	1,303	1,303	-
Judicial:				
Salaries	97,871	116,975	107,721	9,254
Retirement	30,639	35,203	32,301	2,902
Employee health insurance	12,796	13,503	13,503	-
Operations and maintenance	12,379	7,570	7,572	(2)
Payroll taxes	1,616	2,293	2,451	(158)
Executive:				
Salaries	45,000	51,778	48,105	3,673
Retirement	11,138	13,621	13,621	-
Employee health insurance	6,852	4,594	4,594	-
Payroll taxes	652	1,171	653	518
Travel and meetings	3,957	3,957	869	3,088
Legal:				
Salaries	27,000	27,000	27,000	-
District attorney	18,000	18,000	16,500	1,500
Payroll taxes	2,065	2,066	2,066	-
Financial administration:				
Salaries	185,000	225,092	315,265	(90,173)
Retirement	38,458	34,166	51,447	(17,281)
Employee health insurance	33,000	34,942	37,049	(2,107)
Payroll taxes	6,625	6,868	14,844	(7,976)
Office and operating supplies	40,000	31,440	27,015	4,425
Repairs and maintenance	5,000	6,723	6,565	158
Professional services	50,000	76,374	59,531	16,843
Telephone	5,000	2,140	2,323	(183)
Travel and meetings	2,000	3,238	3,238	-
Printing and advertising	15,000	10,780	14,195	(3,415)
Utilities	15,000	14,578	15,057	(479)
Insurance	50,000	11,379	95,009	(83,630)
Miscellaneous	4,100	2,160	3,310	(1,150)
Rental property	2,400	270	270	-
Gas, oil, tires, and batteries	5,000	2,743	2,547	196
Tax assessor fees	6,202	6,110	6,110	-
LMA convention	1,650	750	750	-
Computer maintenance agreement	10,000	1,966	70,822	(68,856)
Damage expenses	3,600	70,396	70,396	-
Dues and subscriptions	4,300	673	2,045	(1,372)
Total general government	<u>818,124</u>	<u>902,378</u>	<u>1,136,603</u>	<u>(234,225)</u>

(continued)

CITY OF OAKDALE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Public safety - police -				
Salaries	648,817	735,258	684,265	50,993
Retirement	98,857	108,562	117,583	(9,021)
Employee health insurance	76,325	77,498	77,109	389
Payroll taxes	21,372	31,941	35,216	(3,275)
Office and operating supplies	16,967	44,901	66,428	(21,527)
Repairs and maintenance	5,000	13,480	12,725	755
Telephone	14,000	5,634	6,078	(444)
Utilities	21,675	35,692	36,298	(606)
Insurance	89,212	58,348	58,400	(52)
Uniform expense	17,000	8,229	8,971	(742)
Personnel training	5,000	3,932	4,432	(500)
Care of prisoners	2,500	2,566	2,706	(140)
Gas, oil, tires, and batteries	36,302	55,065	68,328	(13,263)
Miscellaneous	-	3,159	3,018	141
Total public safety	<u>1,053,027</u>	<u>1,184,265</u>	<u>1,181,557</u>	<u>2,708</u>
Public works -				
Salaries	170,000	230,209	215,901	14,308
Retirement	29,000	18,762	21,986	(3,224)
Employee health insurance	34,500	7,045	7,035	10
Payroll taxes	8,269	12,100	12,054	46
Office and operating supplies	75,000	21,638	20,430	1,208
Repairs and maintenance	37,000	57,452	60,514	(3,062)
Utilities	99,500	106,352	108,249	(1,897)
Insurance	15,000	6,396	9,094	(2,698)
Miscellaneous	4,850	209	1,321	(1,112)
Hurricane damage	-	700	700	-
Gas, oil, tires, and batteries	24,000	30,451	25,006	5,445
Total highways and streets	<u>497,119</u>	<u>491,314</u>	<u>482,290</u>	<u>9,024</u>
Health and recreation -				
Salaries	60,000	64,311	59,998	4,313
Payroll taxes	3,365	4,705	4,611	94
Office and operating supplies	6,009	2,547	2,633	(86)
Repairs and maintenance	6,300	36,532	38,898	(2,366)
Utilities	27,063	32,452	34,150	(1,698)
Insurance	8,000	1,090	1,708	(618)
Coroner	5,000	10,588	12,163	(1,575)
Gas, oil, tires, and batteries	2,300	1,504	1,142	362
Civic center	-	-	6,050	(6,050)
Christmas lighting	5,000	2,486	2,486	-
Miscellaneous	2,500	210	9,314	(9,104)
Total health and recreation	<u>125,537</u>	<u>156,425</u>	<u>173,153</u>	<u>(16,728)</u>

(continued)

CITY OF OAKDALE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Capital outlay:				
Public safety - police	-	46,686	46,686	-
Public works	-	119,656	79,712	39,944
Total capital outlay	-	166,342	126,398	39,944
Debt service:				
Principal	17,649	29,199	25,490	3,709
Interest	2,192	-	3,022	(3,022)
Total debt service	19,841	29,199	28,512	687
Total expenditures	<u>\$ 2,513,648</u>	<u>\$ 2,929,923</u>	<u>\$ 3,128,513</u>	<u>\$ (198,590)</u>

CITY OF OAKDALE, LOUISIANA

Justice System Funding Schedule - Receiving Entity  
As Required by Act 87 of the 2020 Regular Legislative Session  
Cash Basis Presentation  
For the Year Ended June 30, 2022

	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>6/30/2022</u>
Receipts from:		
City Court of Oakdale and Ward 5 of Allen Parish, Louisiana - Criminal fines	<u>\$ 57,059</u>	<u>\$ 61,133</u>
 Total	 <u>\$ 57,059</u>	 <u>\$ 61,133</u>
 Ending balance of amounts assessed but not received	 <u>\$ -</u>	 <u>\$ -</u>

CITY OF OAKDALE, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
June 30, 2022

Records maintained by the City indicated the following number of customers were being served during the months of June, 2022 and 2021:

<u>Department</u>	<u>2022</u>	<u>2021</u>
Water (metered)	2,028	2,033
Sewer	2,020	2,022

CITY OF OAKDALE, LOUISIANA  
Enterprise Fund  
Utility Fund

Statement of Operating Expenses by Department  
For the Year Ended June 30, 2022

	2022
Water department:	
Bad debt (recovery)	\$ 48,442
Salaries	45,768
Payroll taxes	1,278
Supplies	103,277
Repairs and maintenance	45,038
Truck expense	10,183
Utilities	162,025
Insurance	5,756
Miscellaneous	1,838
Depreciation	106,699
Total water department	530,304
Sewer department:	
Bad debt (recovery)	48,442
Salaries	57,808
Payroll taxes	849
Employee benefits	33,095
Supplies	69,806
Repairs and maintenance	22,937
Truck expense	10,310
Utilities	97,298
Insurance	2,014
Miscellaneous	2,673
Depreciation	304,530
Office expense and supplies	69
Total sewer department	649,831
Total operating expenses	\$ 1,180,135

CITY OF OAKDALE, LOUISIANA

Schedule of Insurance in Force  
(Unaudited)  
June 30, 2022

Description of Coverage	Coverage Amounts
Workmen's Compensation:	Statutory
Employer's liability - accident	\$ 100,000
Employer's liability - policy limit	500,000
Employer's liability - employee	100,000
Surety Bonds:	
Mayor	50,000
City clerk	100,000
Blanket	50,000
General liability:	
City -	
Bodily injury/property damage	500,000
Aggregate	500,000
Police -	
Bodily injury/property damage	500,000
Aggregate	500,000
Public officials' error and omissions	500,000
Automobile	500,000
Fire, extended coverage, blanket policy:	
Buildings	8,249,729
Contents	985,227
Comprehensive liability and collision:	
Fire equipment	1,500,000

**INTERNAL CONTROL, COMPLIANCE**

**AND**

**OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oakdale, Louisiana (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 28, 2022.

### Report on Internal Control over Financial Reporting

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

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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified 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 findings and questioned costs as items 2022-001 and 2022-003 to be a 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 findings and questioned costs as item 2022-002 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-004, 2022-005, and 2022-006.

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

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

### **Purpose of this Report**

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

***Kolder, Slaven & Company, LLC***

Certified Public Accountants

Oberlin, Louisiana  
December 28, 2022

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

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

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited the City of Oakdale, Louisiana's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### *Basis for Opinion on Each Major Federal Program*

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

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

#### *Responsibilities of Management for Compliance*

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

**Purpose of this Report**

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

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

Oberlin, Louisiana  
December 28, 2022

CITY OF OAKDALE, LOUISIANA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program Name	Assistance Listing Number	Expenditures
<u>U.S. Environmental Protection Agency</u>		
Passed-through State of Louisiana Department of Health and Hospitals: Drinking Water State Revolving Fund Cluster - Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$1,588,540
Passed-through State of Louisiana Department of Environmental Quality Clean Water State Revolving Funds Cluster - Capitalization Grants for Clean Water State Revolving Funds	66.458	2,086,375
<u>U.S. Department of Homeland Security</u>		
Passed-through State of Louisiana Department of Homeland Security and Emergency Preparedness Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	1,811,588
<u>U.S. Department of Treasury</u>		
Passed-through State of Louisiana Division of Administration Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	<u>1,400,505</u>
TOTAL FEDERAL EXPENDITURES		<u>\$6,887,008</u>

The accompanying notes are an integral part of this schedule.

CITY OF OAKDALE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

(1) Basis of Accounting

The accompanying schedule of expenditures of federal awards (the schedule) presents the activity of all federal financial assistance programs of the City of Oakdale, Louisiana (the City). The City's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) Summary of Significant Accounting Policies

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

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

(3) Subrecipients

The City provided no federal awards to subrecipients.

(4) Loan Balances

Loan balance outstanding at June 30, 2022 under the Capitalization Grants for Drinking Water State Revolving Funds (66.468) was \$3,788,000.

Loan balance outstanding at June 30, 2022 under the Capitalization Grants for Clean Water State Revolving Funds (66.458) was \$2,845,300.

CITY OF OAKDALE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2022

(5) Relationship to the Financial Statements

The Schedule of Expenditures of Federal Awards (SEFA) was prepared from the same accounting records as were used to prepare the financial statements. Differences between amounts reported in the SEFA and the financial statement may exist due to different accounting bases used for financial reporting. A reconciliation of the federal expenditures to the federal revenues presented in the financial statements is outlined below:

Federal expenditures per the Schedule of Federal Awards	\$ 6,887,008
Expenditures reflected in prior year - FEMA	(1,811,588)
Expenditures of loan proceeds - Assistance Listing Number 66.458	(2,086,375)
Principal forgiveness - Assistance Listing Number 66.458	226,658
Expenditures of loan proceeds - Assistance Listing Number 66.468	<u>(1,588,540)</u>
Federal revenue per financial statements	<u>\$ 1,627,163</u>
Revenue from federal sources:	
General Fund	\$ 1,400,505
Enterprise Fund	<u>226,658</u>
Federal revenue per financial statements	<u>\$ 1,627,163</u>

CITY OF OAKDALE, LOUISIANA

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

Part I. Summary of Auditor's Results

*Financial Statements*

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

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

2. Internal control over financial reporting:

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

3. Noncompliance material to the financial statements?

<u>    x    </u> yes	<u>        </u> no
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*Federal Awards*

4. Internal control over major federal programs:

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

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

<u>CFDA Number</u>	<u>Federal Agency and Name of Major Program</u>	<u>Type of Opinion</u>
	<u>U.S. Environmental Protection Agency</u>	
66.468	Capitalization Grants for Drinking Water State Revolving Funds	Unmodified
	<u>U.S. Department of Homeland Security</u>	
97.036	Disaster Grants - Public Assistance	Unmodified
	<u>U.S. Department of Treasury</u>	
21.027	Coronavirus State and Local Fiscal Recovery Funds - COVID-19	Unmodified

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

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

7. Threshold for distinguishing type A and B programs?

\$ 750,000

8. Qualified as a low-risk auditee?

<u>        </u> yes	<u>    x    </u> no
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*Other*

9. Management letter issued?

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

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2022

Part II. Findings reported in accordance with Government Auditing Standards

A. Internal Control over Financial Reporting –

2022-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

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

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

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

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

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

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

2022-002 Late Payment of Invoices

Fiscal year finding initially occurred: 2022

CONDITION: During the year, the City did not pay the total amount due to certain vendors resulting in past due balances at year end.

CRITERIA: Sound business practices require that obligations be paid timely and when due.

CAUSE: The cause of the condition is the result of an oversight.

CITY OF OAKDALE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2022

EFFECT: Failure to pay vendors timely could lead to late fees being assessed and increases the risk that vendors will cease doing business with the City or commence legal action to compel payment.

RECOMMENDATION: It is recommended that the City process and pay invoices timely, in full, and by the due date.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City will closely monitor all invoices received and disburse funds timely and in full.

2022-003      Written Policies and Procedures

Fiscal year finding initially occurred: 2022

CONDITION: The Town does not have written policies and procedures for budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, use of credit cards, travel and expense reimbursements, ethics, debt service, capital asset management, and the safeguarding of traffic tickets.

CRITERIA: Formal written policies and procedures are necessary as a clear understanding of what should be done, how it should be done, who should do it, and when it should be done and ensure the procedures followed meet management's expectations. Written procedures aid in the continuity of operation and for cross-training staff.

CAUSE: The cause of the condition is the fact that the Town has not properly documented its policies and procedures.

EFFECT: Failure to adopt formal written policies and procedures increases the risk that improper use of Town assets or violations of policy may occur and not be identified.

RECOMMENDATION: Management should adopt formal written policies and procedures for budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, use of credit cards, travel and expense reimbursements, ethics, debt service, capital asset management, and the safeguarding of traffic tickets.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City will adopt formal policies and procedures for budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, use of credit cards, travel and expense reimbursements, ethics, debt service, capital asset management, and the safeguarding of traffic tickets.

CITY OF OAKDALE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2022

B. Compliance –

2022-004 Noncompliance with Budget Act

Fiscal year finding initially occurred: 2021

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

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

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

EFFECT: The original proposed budget adopted for the General Fund proposed expenditures exceeding funds available for the ensuing fiscal year by \$1,429,006.

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

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

2022-005 Noncompliance with Budget Act

Fiscal year finding initially occurred: 2021

CONDITION: The City did not comply with the provisions of LSA-RS 39:1311(A)(1)&(2) with respect to the General Fund. Total revenues failed to meet budgeted revenues in the General Fund by 32% or \$1,286,359. Total expenditures exceeded budgeted expenditures in the General Fund by 7% or \$198,590.

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

CAUSE: The City failed to properly monitor General Fund activity by not adequately amending the General Fund budget.

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

CITY OF OAKDALE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2022

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

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

2022-006 Payroll Tax Deposits

Fiscal year finding initially occurred: 2022

CONDITION: The City did not make federal withholding tax deposits correctly as required by 26 U.S. Code Section 3402. During the year, the City was assessed penalties of \$1,213 for the failure to make a proper payroll tax deposit. These penalties reduced the refund due to the City for overpayment of taxes due from the quarter ending March 31, 2022. Subsequent to year end, the City was assessed an additional \$406 in failure to pay penalties and interest for balances due from the quarter ending September 30, 2021.

CRITERIA: 26 U.S. Code Section 3402 provides for the withholding of federal income taxes from wages and for the remittances of payroll tax returns and payment of withholding taxes to the Internal Revenue Service.

CAUSE: The City did not make federal payroll tax deposits correctly as required by 26 U.S. Code Section 3402.

EFFECT: The failure to files and remit federal withholding taxes timely could lead to delinquent fees and interest being assessed and increases the risk of court action being taken and amounts owed being deducted from any other monies due the Town from other government agencies.

RECOMMENDATION: It is recommended that the City remit federal withholding taxes to the Internal Revenue Service in the prescribed manner and by the prescribed due dates.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City will remit federal withholding taxes to the Internal Revenue Service in the prescribed manner and by the prescribed due dates.

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

There were no findings reported under this section.

**CORRECTIVE ACTION PLAN  
FOR CURRENT AUDIT FINDINGS**

**APPENDIX A**



# City of Oakdale

Mayor Gene Paul

P.O. Box 728

333 E. 6th Avenue

Oakdale, Louisiana 71463

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



## CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS

December 28, 2022

U.S. Environmental Protection Agency

City of Oakdale, Louisiana respectfully submits the following corrective action plan for the year ended June 30, 2022.

Name and address of independent public accounting firm:

Kolder, Slaven, & Company, LLC

332 W. Sixth Avenue

Oberlin, LA 70655

Audit period: June 30, 2022

The findings from the June 30, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### FINDINGS – FINANCIAL STATEMENT AUDIT

#### INTERNAL CONTROL:

##### 2022-001 – Inadequate Segregation of Accounting Functions

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

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

##### 2022-002 – Late Payment of Invoices

*Recommendation:* It is recommended that the City process and pay invoices timely, in full, and by the due date.

*Action Taken:* The City will closely monitor all invoices received and disburse funds timely and in full.

2022-003 – Written Policies and Procedures

**Recommendation:** Management should adopt formal written policies and procedures for budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, use of credit cards, travel and expense reimbursements, ethics, debt service, capital asset management, and the safeguarding of traffic tickets.

**Action Taken:** The City will adopt formal written policies and procedures for budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, use of credit cards, travel and expense reimbursements, ethics, debt service, capital asset management, and the safeguarding of traffic tickets.

COMPLIANCE

2022-004 – Noncompliance with Budget Act

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

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

2022-005 – Noncompliance with Budget Act

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

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

2022-006 – Payroll Tax Deposits

**Recommendation:** It is recommended that the City remit federal withholding taxes to the Internal Revenue Service in the prescribed manner and by the prescribed due date.

**Action Taken:** The City will remit federal withholding taxes to the Internal Revenue Service in the prescribed manner and by the prescribed due date.

If the U.S. Environmental Protection Agency has questions regarding this plan, please call Gene Paul, Mayor, at 337-335-1111.

Sincerely yours,



Gene Paul, Mayor  
City of Oakdale, Louisiana

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**APPENDIX B**



# City of Oakdale

Mayor Gene Paul

P.O. Box 728

333 E. 6th Avenue

Oakdale, Louisiana 71463

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



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

Internal Control –

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

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

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

CURRENT STATUS: Unresolved. See item 2022-001.

#### 2021-002 Reconciliation of Bank Accounts

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

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

CURRENT STATUS: Resolved.

2021-003     Theft of Assets

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

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

CURRENT STATUS: Resolved.

Compliance Findings –

2021-004     Noncompliance with Budget Act

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

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

CURRENT STATUS: Unresolved. See 2022-003

2021-005     Noncompliance with Budget Act

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

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

CURRENT STATUS: Unresolved. See 2022-004.

2021-006     Noncompliance with Budget Act

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

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

CURRENT STATUS: Resolved.

2021-007     Delinquent Filing of Sales Tax Reports

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

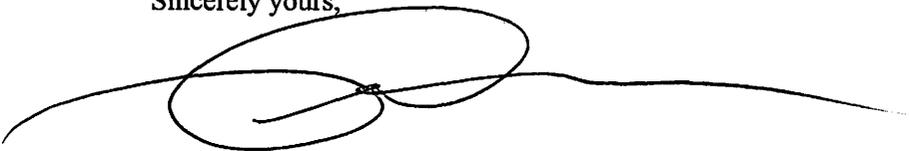
RECOMMENDATION: The City should develop policies and procedures and monitor its reporting requirements to ensure proper laws are being followed.

CURRENT STATUS: Resolved.

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

There were no findings to be reported under this section.

Sincerely yours,

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

Gene Paul, Mayor  
City of Oakdale, Louisiana

**CITY OF OAKDALE, LOUISIANA**  
**Statewide Agreed-Upon Procedures Report**  
**Year Ended June 30, 2022**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
Matthew E. Margaglio, CPA\*  
Casey L. Ardoin, CPA, CFE\*  
Wanda F. Arcement, CPA  
Bryan K. Joubert, CPA  
Nicholas Fowlkes, CPA

C. Burton Kolder, CPA\*  
Of Counsel

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA - retired 2022

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WWW.KCSRCPAS.COM

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To Honorable Gene Paul, Mayor  
and Members of the City Council  
City of Oakdale, Louisiana  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. City of Oakdale, Louisiana's management is responsible for those C/C areas identified in the SAUPs.

City of Oakdale, Louisiana has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

*Management was unable to provide written policies and procedures that addressed the functions noted above.*

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

*Management was unable to provide written policies and procedures that addressed the functions noted above.*

- c) **Disbursements**, including processing, reviewing, and approving.

*Management was unable to provide written policies and procedures that addressed the functions noted above.*

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*Management was unable to provide written policies and procedures that addressed the functions noted above.*

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

*Management was unable to provide written policies and procedures that addressed the functions noted above.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*Management was unable to provide written policies and procedures that addressed the functions noted above.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

*Management was unable to provide written policies and procedures that addressed the functions noted above.*

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*Management was unable to provide written policies and procedures that addressed the functions noted above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

*Management was unable to provide written policies and procedures that addressed the functions noted above.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*Management was unable to provide written policies and procedures that addressed the functions noted above.*

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*Management was unable to provide written policies and procedures that addressed the functions noted above.*

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*Management was unable to provide written policies and procedures that addressed the functions noted above.*

### **Board or Finance Committee**

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*Obtained and reviewed minutes of the council meetings for the fiscal period noting that the council met on a frequency in accordance with the entity's organizational documents.*

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

*Obtained and reviewed the council minutes for the fiscal period noting that the minutes included monthly budget-to-actual comparisons on the general fund.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*Obtained and reviewed the prior year audit report noting a positive ending unassigned fund balance in the general fund.*

### **Bank Reconciliations**

---

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

*Obtained a listing of entity bank accounts for the fiscal period and management's representation that the listing is complete.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

*Obtained and reviewed bank reconciliations noting that they were prepared within 2 months of the related statement closing date.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*Obtained and reviewed bank reconciliations noting that they include evidence of review by a member management who does not handle cash, post ledgers, or issue checks.*

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No items outstanding for more than 12 months from the statement date noted.*

### ***Collections (excluding electronic funds transfers)***

---

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*Obtained a listing of deposit sites for the fiscal period and management's representation that the listing is complete.*

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

*Observed that employees responsible for cash collections do not share the same cash drawers/registers.*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

*Observed that employees responsible for collecting cash are not responsible for preparing/making bank deposits.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*Observed that employees responsible for collecting cash are also responsible for posting cash collection entries to the general ledger; however, another employee is responsible for reconciling ledger postings to each other and to the deposit.*

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

*Observed that employees responsible for reconciling cash collections to the general ledger are also responsible for collecting cash; however, another employee/official verifies the reconciliation.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

*Obtained and reviewed a copy of the bond or insurance policy for theft covering all employees who have access to cash noting no exceptions.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

*Observed that receipts are sequentially pre-numbered.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*Traced sequentially pre-numbered receipts to the deposit slip noting no exceptions.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*Traced the deposit slip total to the actual deposit per the bank statement noting no exceptions.*

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*Observed deposits selected for testing noting no exceptions.*

- e) Trace the actual deposit per the bank statement to the general ledger.

*Traced the actual deposit per the bank statement to the general ledger noting no exceptions.*

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

---

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*Obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*Observed that at least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.*

- b) At least two employees are involved in processing and approving payments to vendors.

*Observed that at least two employees are involved in processing and approving payments to vendors.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*Observed that the employee responsible for processing payments is not prohibited from adding/modifying vendor files; however, another employee is responsible for periodically reviewing changes to vendor files.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*Observed that the employee responsible for signing checks gives the signed checks to an employee to mail who is not responsible for processing payments.*

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

*Observed that the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables were received by the entity.*

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions noted.*

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards and management's representation that the listing is complete.*

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

*Observed there is evidence that the monthly statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*Observed that there were no finance charges or late fees assessed on the selected statements.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*Not applicable. The entity only has fuel cards.*

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

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing is complete.*

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*No exceptions noted regarding the functions above.*

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*No exceptions noted regarding the functions above.*

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*Two out of the five reimbursements selected for testing lacked the appropriate supporting documentation.*

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

*Two out of the five reimbursements selected for testing were not reviewed and approved in writing by someone other than the person receiving reimbursement.*

#### ***Contracts***

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:

*Per discussion with management, it was noted that the entity did not have any contracts that were initiated or renewed during the fiscal period; therefore, the following procedures are deemed not applicable.*

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

### ***Payroll and Personnel***

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Obtained related paid salaries and personnel files and agreed to authorized salaries/pay rates in the personnel files noting no exceptions.*

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

*Observed selected employees or officials documented daily attendance noting no exceptions.*

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

*Observed attendance and leave records noting no exceptions.*

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*Observed any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records noting no exceptions.*

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

*Observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file noting no exceptions.*

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

*The entity does not have a policy regarding termination payments; therefore, we were unable to agree payments made during the fiscal period.*

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*Obtained management's representation that retirement contributions, health insurance premiums, and worker's compensation premiums have been paid, and associated forms have been filed, by required deadlines. Per discussion held with management, it was noted that the City did not make federal withholding tax deposits correctly during the year.*

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and
  - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*For the five randomly selected employees, there was no documentation available that demonstrates each employee/official completed one hour of ethics training during the fiscal period.*

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*There were no changes to the entity's ethics policy during the fiscal period.*

### ***Debt Service***

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

*Per discussion with management and review of the official minutes, there were no bonds/notes or other debt instruments issued during the fiscal period.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*No exceptions noted.*

### ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Per discussion with management, there were no misappropriations of public funds and assets during the fiscal period.*

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

*Observed the entity has posted the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds on their premises. It was noted that the entity does not have the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds posted on their official website.*

### **Information Technology Disaster Recovery/Business Continuity**

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25. Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

*Obtained and inspected the entity's most recent documentation that it has backed up its critical data and observed that a backup occurred within the past week noting no exceptions.*

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored noting no exceptions. Observed that the test/verification has been successfully performed within the past 3 months noting no exceptions.*

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*Obtained a listing of the entity's computers currently in use and their related locations and management's representation that the listing is complete. No exceptions noted regarding the procedures above.*

### **Sexual Harassment**

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*One out of the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above did not have documentation available to demonstrate completion at least one hour of sexual harassment training during the calendar year.*

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*Observed that the entity has its sexual harassment policy and complaint procedure posted on its premises.*

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

*The annual report was not prepared.*

### ***Management's Response***

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Management of the City of Oakdale, Louisiana concurs with the exceptions and are working to address the deficiencies identified.

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

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

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

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

Oberlin, Louisiana  
December 28, 2022