CITY OF JENNINGS, LOUISIANA

Annual Financial Statements

As of and for the Year Ended June 30, 2020

CITY OF JENNINGS, LOUISIANA

Annual Financial Statements
As of and for the Year Ended June 30, 2020
With Supplemental Information Schedules

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Annual Financial Statements
As of and for the Year Ended June 30, 2020
With Supplemental Information Schedules

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J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

INDEPENDENT AUDITOR'S REPORT

The Mayor and Members
of the City Council
City of Jennings, Louisiana

Report on Financial Statements

I 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 Jennings, Louisiana (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the omitted discretely presented component units has not been determined.

Adverse Opinion on Aggregate Discretely Presented Component Units

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Jennings, Louisiana, as of June 30, 2020, or the changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In my 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 for the primary government of the City of Jennings, Louisiana as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information, employer's share of net pension liability and employer contributions (page 72 - 82) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management 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. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 31, 2020, on my consideration of the City's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

J. Aaron Cooper, CPA, LLC

Certified Public Accountant

Jennings, Louisiana
December 31, 2020

Government-Wide Financial Statements

STATEMENT A

CITY OF JENNINGS, LOUISIANA

Statement of Net Position

June 30, 2020

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	$ 13,312,509	$ 2,582,193	$ 15,894,702
Investments	17,905	-	17,905
Receivables (net of allowances for uncollectibles)	740,423	341,515	1,081,938
Due from other funds	131,063	-	131,063
Inventory	5,529	-	5,529
Prepaid items	50,147	32,752	82,899
Restricted cash and cash equivalents	743,451	292,628	1,036,079
Other assets	956	-	956
Capital assets (net)	16,405,791	9,059,418	25,465,209
TOTAL ASSETS	31,407,774	12,308,506	43,716,280
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferrals	1,304,241	187,948	1,492,189
LIABILITIES			
Accounts, salaries, and other payables	609,263	324,992	934,255
Due to other funds	-	131,063	131,063
Matured bonds and interest payable	63,909	-	63,909
Compensated absences payable	90,151	23,672	113,823
Current portions of bonds payable	290,000	-	290,000
Current portion of net pension liability	550,170	80,459	630,629
Bonds payable	5,090,000	-	5,090,000
Net pension liability	4,301,253	562,696	4,863,949
TOTAL LIABILITIES	10,994,746	1,122,882	12,117,628
DEFERRED INFLOWS OF RESOURCES			
Pension related deferrals	892,339	43,443	935,782
NET POSITION			
Net investment in capital assets	11,025,791	9,059,418	20,085,209
Restricted for:			
Public works	1,036,318	-	1,036,318
Culture and recreation	368,393	-	368,393
Debt service	606,139	-	606,139
Capital projects	3,536	-	3,536
Tax resolution	2,018,591	-	2,018,591
Special police operations	255,440	-	255,440
Unrestricted	5,510,722	2,270,711	7,781,433
TOTAL NET POSITION	$ 20,824,930	$ 11,330,129	$ 32,155,059

The accompanying notes are an integral part of this statement.

CITY OF JENNINGS, LOUISIANA

Statement of Activities

For the Year Ended June 30, 2020

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	$ 1,392,893	$ 40,111	$ -	$ -
Public safety	4,329,853	83,160	650,044	-
Public works	2,607,202	895,321	14,887	-
Cultural and recreation	1,104,505	79,647	68,147	475
Health and welfare	1,477	-	-	-
Community development	9,750	-	-	-
Economic development	150,000	-	10,000	-
Interest on long-term debt	196,908	-	-	-
Capital outlay	332,397	-	-	-
Total governmental activites	10,124,985	1,098,239	743,078	475
Business-type Activities				
Utilities administration	373,537	-	-	-
Water	1,354,815	1,284,285	-	15,910
Sewer	1,054,880	1,058,960	-	-
Rental	-	29,655	-	-
Total business-type activities	2,783,232	2,372,900	-	15,910
Total primary government	$ 12,908,217	$ 3,471,139	$ 743,078	$ 16,385

General revenues:
- Property taxes
- Sales taxes
- Franchise taxes
- Occupational licenses & permits
- Grants and contributions not restricted to specific programs
- Investment earnings
- Other general revenues

Gain (loss) on sale of capital assets
Total general revenues and transfers

Change in net position

Net position-beginning
Net position-ending

The accompanying notes are an integral part of this statement.

STATEMENT B

Net (Expenses) Revenues and Changes of Primary Government		
Governmental Activities	Business-type Activities	Total
$ (1,352,782)	$ -	$ (1,352,782)
(3,596,649)	-	(3,596,649)
(1,696,994)	-	(1,696,994)
(956,236)	-	(956,236)
(1,477)	-	(1,477)
(9,750)	-	(9,750)
(140,000)	-	(140,000)
(196,908)	-	(196,908)
(332,397)	-	(332,397)
(8,283,193)	-	(8,283,193)
-	(373,537)	(373,537)
-	(54,620)	(54,620)
-	4,080	4,080
-	29,655	29,655
-	(394,422)	(394,422)
(8,283,193)	(394,422)	(8,677,615)
1,316,202	-	1,316,202
5,133,995	-	5,133,995
663,846	-	663,846
551,717	-	551,717
336,699	3,231	339,930
77,717	24,526	102,243
642,868	75,704	718,572
5,868	5,926	11,794
8,728,912	109,387	8,838,299
445,719	(285,035)	160,684
20,379,211	11,615,164	31,994,375
$ 20,824,930	$ 11,330,129	$ 32,155,059

Fund Financial Statements

STATEMENT C

CITY OF JENNINGS, LOUISIANA

Balance Sheet, Governmental Funds

June 30, 2020

	GENERAL FUND	1994 1% SALES TAX FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	9,877,073	1,932,814	$ 1,502,622	$ 13,312,509
Investments	-	-	17,905	17,905
Receivables (net of allowances for uncollectibles)	509,311	220,355	10,756	740,422
Due from other funds	120,945	10,118	-	131,063
Inventory	5,529	-	-	5,529
Prepaid items	44,640	-	5,507	50,147
Restricted cash and cash equivalents	255,440	-	488,011	743,451
Other assets	956	-	-	956
TOTAL ASSETS	$ 10,813,894	$ 2,163,287	$ 2,024,801	$ 15,001,982
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	$ 454,152	$ 144,696	$ 10,415	$ 609,263
Total liabilities	454,152	144,696	10,415	609,263
Fund balances:				
Restricted for:				
Public works	-	-	1,036,318	1,036,318
Culture and recreation	-	-	368,393	368,393
Debt service	-	-	606,139	606,139
Capital projects	-	-	3,536	3,536
Tax resolution	-	2,018,591	-	2,018,591
Special police operations	255,440	-	-	255,440
Unassigned	10,104,302	-	-	10,104,302
Total fund balances	10,359,742	2,018,591	2,014,386	14,392,719
TOTAL LIABILITIES AND FUND BALANCES	$ 10,813,894	$ 2,163,287	$ 2,024,801	$ 15,001,982

The accompanying notes are an integral part of this statement.

STATEMENT D

CITY OF JENNINGS, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2020

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)		$ 14,392,719
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets	$ 31,038,274	
Less: Accumulated depreciation	(14,632,483)	
		16,405,791
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences		(90,151)
Bonds payable		(5,380,000)
In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to pension plans, deferred outflows of resources, and deferred inflows of resources are not recorded in governmental funds.		
Net pension liability		(4,851,422)
Deferred outflows of resources		1,304,241
Deferred inflows of resources		(892,339)
Accrued interest expense reported for the government-wide statements		(63,909)
Net Position of Governmental Activities (Statement A)		$ 20,824,930

The accompanying notes are an integral part of this statement.

CITY OF JENNINGS, LOUISIANA

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

For the Year Ended June 30, 2020

	GENERAL FUND	1994 1% SALES TAX FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Local sources:				
Taxes:				
Ad valorem	$ 471,513	$ -	$ 844,689	$ 1,316,202
Sales and use	2,566,998	2,566,998	-	5,133,997
Franchise tax	663,846	-	-	663,846
Other taxes, penalties, interest, etc.	16,784	-	2,531	19,315
Licenses and permits	551,717	-	-	551,717
Fees, charges, and commissions for services	1,042,888	-	-	1,042,888
Fines and forfeitures	49,035	-	44	49,079
Investment earnings	54,642	10,981	12,094	77,717
Other revenues	974,465	-	78,786	1,053,252
State sources:				
State revenue sharing	24,735	-	-	24,735
Other state funds	588,594	-	15,237	603,831
Federal sources	26,464	-	1,797	28,261
Total revenues	7,031,681	2,577,979	955,178	10,564,839
EXPENDITURES				
General government	1,114,682	-	1,200	1,115,882
Public safety	3,952,368	97,596	-	4,049,964
Public works	1,057,150	584,657	869,557	2,511,363
Cultural and recreation	993,145	-	277,167	1,270,312
Health and welfare	1,477	-	-	1,477
Community development	9,750	-	-	9,750
Economic development	150,000	-	-	150,000
Debt service	-	-	473,153	473,153
Capital outlay	-	509,522	332,213	841,735
Total expenditures	7,278,572	1,191,775	1,953,290	10,423,636
Excess (deficiency) of revenues over (under) expenditures	(246,891)	1,386,204	(998,112)	141,203
OTHER FINANCING SOURCES (USES)				
Transfers in	1,184,010	1,400,000	960,860	3,544,870
Transfers out	(1,400,000)	(2,144,870)	-	(3,544,870)
Gain (loss) on sale of capital assets	6,511	-	2,070	8,581
Total other financing sources and uses	(209,479)	(744,870)	962,930	8,581
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(456,370)	641,334	(35,182)	149,782
Fund balances - beginning	10,816,112	1,377,257	2,049,568	14,242,937
Fund balances - ending	$ 10,359,742	$ 2,018,591	$ 2,014,386	$ 14,392,719

The accompanying notes are an integral part of this statement.

STATEMENT F

CITY OF JENNINGS, 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, 2020

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

Net Change in Fund Balances, Total Governmental Funds, Statement E		$ 149,782
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. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and changes in fund balances	$ 1,173,276	
Depreciation expense	(1,228,172)	(54,896)
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donations is to increase (decrease) net assets.		(2,712)
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.		
Bond redemptions		275,000
In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related pension is not required to be recorded in the governmental fund financial statements. Adjustments to pension expense related to changes in deferred outflows of resources and deferred inflows of resources are reflected in the Statement of Activities:		
Contributions after measurement date		550,170
Net change in pension expense		(477,288)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest payable		1,245
Change in compensated absences payable		4,418
Change in Net Position of Governmental Activities, Statement B		$ 445,719

The accompanying notes are an integral part of this statement.

CITY OF JENNINGS, LOUISIANA

Statement of Net Position, Proprietary Funds

June 30, 2020

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS
	UTILITY FUND
ASSETS	
Current assets:	
Cash and cash equivalents	$ 2,582,193
Receivables (net of allowances for uncollectibles)	341,515
Prepaid items	32,752
Restricted cash and cash equivalents	292,628
Total current assets	3,249,088
Non-current assets:	
Capital assets (net of accumulated depreciation)	9,059,418
Total non-current assets	9,059,418
TOTAL ASSETS	12,308,506
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferrals	187,948
LIABILITIES	
Current liabilities:	
Accounts, salaries, and other payables	324,992
Due to other funds	131,063
Compensated absencses	23,672
Net pension libility (current portion)	80,459
Total current liabilities	560,186
Non-current liabilities:	
Net pension liability	562,696
Total non-current liabilities	562,696
TOTAL LIABILITIES	1,122,882
DEFERRED INFLOWS OF RESOURCES	
Pension related deferrals	43,443
NET POSITION	
Net investment in capital assets	9,059,418
Unrestricted	2,270,711
TOTAL NET POSITION	$ 11,330,129

The accompanying notes are an integral part of this statement.

CITY OF JENNINGS, LOUISIANA

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

For the Year Ended June 30, 2020

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS	
	UTILITY FUND	
Operating revenues		
Charges for services:		
Water sales	$	1,284,286
Sewer charges		1,058,960
Rental services		29,655
Other income		24,285
Other services		51,419
Total operating revenues		2,448,605
Operating expenses		
Cost of sales and services		1,838,648
Administration		360,827
Depreciation		583,758
Total operating expenses		2,783,233
Operating income (loss)		(334,628)
Nonoperating revenues (expenses)		
Interest earnings		24,526
Gain (loss) on sale of capital assets		5,926
Federal sources		3,231
Other intergovernmental revenue		15,910
Total nonoperating revenues (expenses)		49,593
Change in net position		(285,035)
Total net position-beginning		11,615,164
Total net position-ending	$	11,330,129

The accompanying notes are an integral part of this statement.

CITY OF JENNINGS, LOUISIANA

Statement of Cash Flows, Proprietary Funds

For the Year Ended June 30, 2020

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS
	UTILITY FUND
Cash flows from operating activities	
Receipts from customers and users	$ 2,319,523
Payments to suppliers of goods and services	(1,170,491)
Payments to employees for services	(983,282)
Other receipts	24,285
Net cash provided (used) by operating activities	190,035
Cash flows from noncapital financing activities	
Subsidy from state appropriation	15,910
Subsidy from federal grants	3,231
Net cash provided (used) by noncapital financing activities	19,141
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(108,561)
Proceeds from sales of capital assets	5,926
Net cash provided (used) by capital and related financing activities	(102,635)
Cash flows from investing activities	
Interest on investments	24,526
Net cash provided (used) by investing activities	24,526
Net increase (decrease) in cash and cash equivalents	131,067
Cash and cash equivalents, beginning of year	2,743,754
Cash and cash equivalents, end of year	$ 2,874,821
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	$ (334,628)
Depreciation expense	583,758
Difference between retirement contribution & pension expense	33,311
(Increase) decrease in accounts receivable	(111,741)
(Increase) decrease in prepaid items	(5,314)
Increase (decrease) in customer deposits	6,943
Increase (decrease) in accounts payable	(110,645)
Increase (decrease) in salary and payroll expense payable	(2,926)
Increase (decrease) in compensated absences	223
Increase (decrease) in due to other funds	131,054
Total adjustments	524,663
Net cash provided (used) by operating activities	$ 190,035

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Jennings was incorporated May 2, 1888 and has adopted a Home Rule Charter according to Title 33 of the Louisiana Revised Statutes. The City operates under a Mayor-City Council form of government and provides the following services as authorized by its charter: public safety (police and fire), public works (streets and lighting), sanitation, health, culture-recreation, public improvements, planning and general administrative services.

The accounting and reporting policies of the City of Jennings conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting policies. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. FINANCIAL REPORTING ENTITY

The financial reporting entity consists of (a) the primary government (City), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable but 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.

Government Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61 defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations of which the nature and significance of their relationship with the primary government is such that exclusion of these organizations from the primary government's financial statements would be misleading. Therefore, an organization is considered to be a component unit of the City if one of the following criteria is met:

1. The primary government can appoint a voting majority of the organization's governing body and

    a. The ability of the City to impose its will on the organization or

    b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City and there is the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

3. 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.

Based on the previous criteria, the City has determined that the following component units are part of the reporting entity:

Component Unit	Fiscal Year End	Criteria Used
Industrial Development Board	June 30	1, 1a and 3
City Court and City Marshall	June 30	2 and 3

The City has chosen to issue financial statements of the primary government (City) only; therefore, none of the previously listed component units are included in the accompanying financial statements. Financial statements for these component units can be obtained from the individual component units.

These primary government (City) financial statements include all major funds, aggregate non-major funds, and organizations for which the City maintains the accounting records.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (City) financial statements are not a substitute for the reporting entity's financial statements. The City has chosen to issue financial statements of the primary government only. As such, these financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (City).

Related Organization

Jennings Housing Authority - The Commissioners of the Authority are appointed by the Mayor, but the City does not provide funding, has no obligation for the debt issued by the Authority, and cannot impose its will. This authority has not been included in the reporting entity.

Joint Venture

Jefferson Davis Parish Landfill Commission - A joint venture with the Jefferson Davis Parish Police Jury and the Towns of Welsh and Lake Arthur was formed to provide a solid waste disposal facility for its member-owners. This commission has not been included in the reporting entity. Financial statements for this joint venture can be obtained from the Jefferson Davis Parish Landfill Commission.

Jefferson Davis Parish Economic Development Commission - A joint venture with the Jefferson Davis Parish Tourist Commission and the Town of Welsh was formed to enhance the economic development of Jefferson Davis Parish. This commission has not been included in the reporting entity. Financial statements for this joint venture can be obtained from the Jefferson Davis Parish Economic Development Commission.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements:

The government-wide financial statements include the statement of net position and the statement of activities that report financial information for the primary government (City). For the most part, the effect of interfund activity has been removed from these statements. Individual funds are not displayed but governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) operating grants and contributions which finance annual operating activities; and 3) capital grants and contributions which fund the acquisition, contribution, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major proprietary funds are reported as separate columns in the fund financial statements.

FUND FINANCIAL STATEMENTS (FFS)

The accounts of the City are organized on the basis of funds each of which is considered a separate accounting entity with a separate set of self-balancing accounts. The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Non-major funds (by category) are summarized into a single column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

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

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

The major funds of the City are described below:

MAJOR 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 in another fund.

Special Revenue Funds

-1994 1% Sales Tax Fund-

The 1994 1% Sales Tax Fund is used to account for the receipt of a 1% sales tax. The previous 1% sales tax was authorized in 1994. This tax is to be collected for a period not to exceed twenty-two (22) years. At least $500,000 annually is to be used for acquiring, constructing, extending, improving, maintaining and operating sewage collection and disposal facilities for the City, and/or to pay any bonded or funded indebtedness of the City incurred for sewage collection and disposal facilities. The balance is to be used for street construction and maintenance, drainage, heavy equipment purchases, jail operations, and police pension payments. In 1998, a referendum was approved to expand the authorized uses of excess funds over previous dedication to include acquiring, constructing, improving and/or maintaining the City's waterworks facilities. It further authorized the issuing of any bonded or funded indebtedness to accomplish the expanded purpose.

A sales and use tax of 1% was levied as of January 1, 2013 after approval by the registered voters of the City of Jennings in lieu of the 1% sales and use tax approved July 16, 1994, rededicated November 15, 1997. The tax is to be collected for a period not to exceed twenty-five (25) years. At least $500,000 annually is to be used to pay any bonded or funded indebtedness of the City incurred for sewage collection and disposal facilities. The remaining proceeds of the tax is to be used for acquiring, constructing, improving, operating and maintaining streets, garbage, parks, fire and police departments, public buildings, drainage, heavy equipment purchases, jail operations, police pension payments, economic development purposes and activities, sewage collection and disposal facilities, and the City's waterworks facilities, including payment of any bonded or funded indebtedness of the City incurred for such purposes, and including salaries of city employees for any one or more of said purposes. It further authorized the City to fund the proceeds of the tax into bonds to pay the cost of capital improvements for the aforesaid purposes.

MAJOR ENTERPRISE FUNDS

-Utility Fund-

The Utility Fund is used to account for the operation of the City's water and sewer system, which are supported by user charges and special taxes.

The Utility Fund is financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

When both restricted and unrestricted resources are available for use, it is the municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

On the government-wide financial statements both governmental and business-type activities are reported using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures.

-Revenues-

Ad valorem taxes, franchise taxes, sales taxes, interest income, intergovernmental revenues and charges for service are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other governmental fund revenue items are recognized when cash is received by the government.

-Expenditures-

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on long-term obligations, which are recognized when due.

-Other Financing Sources (Uses)-

Sale of fixed assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

D. BUDGET AND BUDGETARY ACCOUNTING

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

1. The City Clerk prepares an operating departmentalized budget, a pay plan budget, and a capital improvements budget and submits these budgets to the Mayor and City Council no later than fifteen days prior to the beginning of each fiscal year.

2. A summary of the total proposed budgets is published and the public notified that the proposed budgets are 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 through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

5. The City Clerk is authorized to transfer budgeted amounts within departments, within any fund except for salary items and capital improvement items which cannot be amended without City Council approval. 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 requires the approval of the City Council.

6. Formal budgetary integration is used as a management control device by the general fund and major special revenue funds during the year.

7. Budgets for the general fund and major special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The original budget was adopted by the City Council on June 25, 2019. Since there were no amendments, budgeted amounts shown on the financial statements were as adopted by the City Council on June 25, 2019.

8. All budgetary appropriations lapse at the end of each fiscal year.

E. DEPOSITS AND INVESTMENTS

Under state law, the City may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the law of any other state in the union, or the laws of the United States. The City may invest in government backed securities, commercial paper, the state sponsored investment pool, mutual funds consisting solely of government backed securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana.

The municipality's cash and cash equivalents include demand deposits (including restricted assets), interest-bearing demand deposits, and short-term investments with original maturities of 90 days or less, including deposits held by the Louisiana Asset Management Pool (LAMP). LAMP is a statewide investment pool in which the City participates and operates in accordance with appropriate state laws and regulations. The fair value of the City's position in the pool is the same as the value of the pool shares. LAMP is a component unit of the State of Louisiana and its operations are regulated by state law and are overseen by a board consisting of the state treasurer and members elected from the pool participants.

In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," investments meeting the criteria specified in the Statement are stated at fair value. Investments which do not meet the requirements are stated at cost. These investments include certificates of deposit with maturities exceeding 90 days and are reported at cost which approximates fair value.

Further information regarding deposits and investments are disclosed in Note 4.

F. INTERFUND RECEIVABLES AND PAYABLES

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as "due from/to other funds" on the balance sheet.

G. RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Sales and use taxes collected in June 2020 are accrued at year end. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible amounts due for customers' utility receivables, since they are immaterial, are recognized as bad debts through a direct write-off at the time information becomes available which would indicate the uncollectability of the particular receivable. If ad valorem taxes become uncollectible, the property involved is seized and sold as of May 31 of the effected fiscal year, and therefore, all material ad valorem taxes are collected as of the end of the current fiscal year.

H. UNCOLLECTIBLE ALLOWANCE

The statements contain no provision for uncollectible accounts. City management is of the opinion that such allowance would be immaterial in relation to the financial statements taken as whole.

I. INVENTORY

Inventories in the General and Special Revenue Funds consist of expendable supplies held for consumption. Inventories are priced at cost (first-in, first-out).

J. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items consist of unexpired portions of insurance premiums. Prepaid items in the governmental funds and enterprise funds are recorded in both the government-wide financial statements and the fund financial statements.

K. RESTRICTED ASSETS

Certain proceeds of governmental fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Also, cash deposited in a special water and sewer deposit account has been restricted to provide for the return of customer utility deposits. In addition, cash deposited in narcotics evidence account, and police asset forfeiture accounts has been restricted for their use and is limited to certain police and jail operations.

L. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) acquired after June 30, 2003, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. In the fund financial statements, capital assets used in governmental fund operations are reported as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Generally, the municipality 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Roads, bridges, and infrastructure	30 years
Infrastructure improvements	10 years
Building improvements	10 years
Buildings	30 years
Computers and office equipment	5-10 years
Machinery and equipment	5-15 years
Sewer and sewer improvements	10-40 years

M. CAPITALIZATION OF INTEREST COST

It is the policy of the City of Jennings to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets.

The amount of interest cost capitalized on major capital projects acquired/constructed with proceeds of restricted tax-exempt debt includes all interest cost of the borrowing less any interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowings from the date of the borrowing until the assets are ready for their intended use. The City did not capitalize any interest for the year ended June 30, 2020.

N. COMPENSATED ABSENCES

The City provides leave for vacation, sickness and illness, personal business and as an award in their safety program. Vacation leave is provided for all employees with one or more years of service. It ranges from 10 to 20 days per year depending on length of service. Sickness and illness leave of 5 to 365 days is provided depending on length of service and the department in which the employee serves. Sick leave is not paid upon termination of employment. Three days of leave is provided for personal business each year and two to four days of leave is awarded to employees annually for safety on their job. It is the City's policy that leave does not accumulate except the amount earned in the current calendar year. Any leave not utilized by December 31st is lost.

Compensatory time may also be granted in lieu of overtime pay. Employees may accumulate up to a maximum of forty hours of unused compensatory time which is paid to the employee in the form of time off or at the employee's current rate of pay upon separation from service.

The entire accrued vacation leave and compensatory time liability for both governmental and proprietary fund employees are reported on the government-wide financial statements. The accrued vacation leave and compensatory time as of the end of the fiscal year for proprietary fund employees are also recorded as a liability in the appropriate enterprise fund financial statement. There are no accumulated and vested benefits relating to sick leave that require disclosure to conform with generally accepted accounting principles.

O. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

P. PENSION PLANS

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 City's four pension plans and additions to / deductions from the plans' fiduciary net position have been determined on the accrual basis, which is the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. EQUITY CLASSIFICATIONS

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

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

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

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

In the fund statements, governmental fund equity is classified as fund balance. The City adopted GASB Statement 54 in the year ended June 30, 2011. As such, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned - all other spendable amounts.

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

Business-type fund equity at the fund level is classified the same as in the government-wide statements.

R. ESTIMATES

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

S. 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.

(2) AD VALOREM TAXES

A. MILLAGE

Taxes are levied on November 15 and become delinquent if not paid by December 31. The Jefferson Davis Parish Sheriff's Office bills and collects the property taxes on behalf of the City. The property tax millage in effect at June 30, 2020, according to Ordinance No. 1766, was as follows:

General Alimony	7.24	Mills
Street Maintenance	8.96	
Library Maintenance	4.01	
Total	20.21	Mills

There are no material ad valorem tax receivables as of June 30, 2020, as all taxes have either been collected or properties have been seized and sold.

(3) DEDICATION OF SALES TAX REVENUES

A sales and use tax of 1 percent was levied as of October 1, 1994, after approval by the registered voters of the City of Jennings. This tax is to be collected for a period not to exceed twenty-two (22) years. At least $500,000 annually is to be used for acquiring, constructing, extending, improving, maintaining and operating sewage collection and disposal facilities for the City, and/or to pay any bonded or funded indebtedness of the City incurred for sewage collection and disposal facilities. The balance is to be used for street construction and maintenance, drainage, heavy equipment purchases, jail operations, and police pension payments. In 1998, a referendum was approved to expand the authorized uses of excess funds over previous dedication to include acquiring, constructing, improving and/or maintaining the City's waterworks facilities. It further authorized the issuing of any bonded or funded indebtedness to accomplish the expanded purpose.

A sales and use tax of 1 percent was levied as of January 1, 2013, after approval by the registered voters of the City of Jennings in lieu of the 1 percent sales and use tax approved July 16, 1994, rededicated November 15, 1997. The tax is to be collected for a period not to exceed twenty-five (25) years. At least $500,000 annually is to be used to pay any bonded or funded indebtedness of the City incurred for sewage collection and disposal facilities. The remaining proceeds of the tax is to be used for acquiring, constructing, improving, operating and maintaining streets, garbage, parks, fire and police departments, public buildings, drainage, heavy equipment purchases, jail operations, police pension payments, economic development purposes and activities, sewage collection and disposal facilities, and the City's waterworks facilities, including payment of any bonded or funded indebtedness of the City incurred for such purposes, and including salaries of city employees for any one or more of said purposes. It further authorized the City to fund the proceeds of the tax into bonds to pay the cost of capital improvements for the aforesaid purposes.

A sales and use tax of 1 percent was levied as of April 1, 2010 after approval by the registered voters of the City of Jennings. This tax is to be collected for a period of twenty-five (25) years. Revenues to be derived from the tax are dedicated to establishing, acquiring, constructing, improving, operating, and maintaining streets, drainage, waterworks, sewer, garbage, parks, fire department, police department, and public buildings, including salaries of city employees for any one or more of said purposes, within the City of Jennings, Louisiana.

(4) DEPOSITS AND INVESTMENTS

A. DEPOSITS

At June 30, 2020, the City has deposits (book balances) as follows:

Deposit Type	Reported Amount
Cash on hand	$ 2,221
Cash-demand deposits	7,851,099
Deposits with LAMP	8,589,450
Time deposits (maturities less than 90 days)	488,011
	$ 16,930,781

Additionally, the City has certificates of deposit totaling $17,905 on deposit in local banks which are presented as investments in the financial statements.

A portion of the City's funds are held and managed by the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-RS 33:2955. LAMP is rated AAAm by Standard & Poor's.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool share.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. LAMP issues a publicly available financial report that includes financial statements and required supplementary information for LAMP. That report may be obtained by writing to the LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, Louisiana 70130.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be recovered. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the City or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2020, the City has $8,664,474 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by $557,462 of federal deposit insurance and $8,107,012 of pledged securities held by the custodial bank in the name of the City. As such, these deposits are not considered subject to custodial credit risk according to GASB Statement No. 3.

B. INVESTMENTS

At June 30, 2020, the City had the following investments and maturities:

Investment Type	% of Portfolio	Fair Value	Investments Maturities (in Years) Less than 1	1-5
Certificates of deposits- (maturities exceeding 90 days)	100.0%	$ 17,905	$ 17,905	$ -

Credit Risk - Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have a written investment policy, but does adhere to state laws regarding allowable investments. LAMP is rated AAAm by Standard & Poor's. The certificates of deposit are not rated.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As discussed in Note 4A, certificates of deposit are considered fully collateralized under the provisions of GASB Statement No. 3. LAMP participant investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not with the securities that make up the pool; therefore, no disclosure is required. Accordingly, the City had no custodial credit risk related to its investments as of June 30, 2020.

Concentration of Credit Risk - The City of Jennings places no limit on the amount it may invest in any one issuer. More than 5 percent of the City of Jennings' investments at June 30, 2020 are invested in certificates of deposit held at one financial institution. These investments are 100% of the City of Jennings' total investments at June 30, 2020.

(5) RECEIVABLES

The receivables of $1,081,938 at June 30, 2020, are as follows:

	Governmental Activities				Business-Type Activities		
Class of Receivable	General Fund	1994 1% Sales Tax Fund	Other Governmental Activities	Total Governmental Activities	Utility Fund	Total Business-Type Activities	Total Government Balance
Local sources:							
Taxes:							
Ad valorem	$ 1,262	$ -	$ 2,260	$ 3,522	$ -	$ -	$ 3,522
Sales and use	220,355	220,355	-	440,710	-	-	440,710
Franchise	134,141	-	-	134,141	-	-	134,141
Other taxes, penalty, interest, etc.	86	-	154	240	-	-	240
Licenses and permits	40	-	-	40	-	-	40
Fees, charges, and commissions for services	441	-	-	441	-	-	441
Fines and forfeiture	6,412	-	-	6,412	-	-	6,412
Utilities	52,814	-	-	52,814	338,284	338,284	391,098
Other local funds	4,370	-	-	4,370	-	-	4,370
State sources:							
Other state funds	64,713	-	6,544	71,257	-	-	71,257
Federal sources	24,679	-	1,797	26,476	3,231	3,231	29,707
Total as reported in government-wide statement	$ 509,313	$ 220,355	$ 10,755	$ 740,423	$ 341,515	$ 341,515	$ 1,081,938

(6) INTERFUND RECEIVABLES/PAYABLES

Details related to interfund receivables and payables balances as of June 30, 2020, are presented as follows:

Fund	Interfund Receivable	Interfund Payable
Major Governmental Activities:		
General Fund	$ 120,945	$ -
1994 1% Sales Tax Fund	10,118	-
Major Business Type Activities:		
Utility Fund	-	131,063
Total	$ 131,063	$ 131,063

In the course of ordinary operations, the General Fund pays certain costs that are reimbursed by the Utility Fund. Of the amounts shown, $9 represents the reimbursements that are due at year end. The $10,118 results from the reimbursement to 1994 1% Sales Tas Fund for an expenditure paid on behalf of the Utility Fund. The remaining $120,936 represents reimbursement to the General Fund for its share of customer deposits applied to utility receivable for garbage collections.

(7) RESTRICTED ASSETS

At June 30, 2020, restricted assets consisted of the following:

Governmental Activities:	
Cash-Facilities Improvements Bond Sinking Reserve	$ 484,475
Cash-Facilities Improvements Bond Proceeds	3,536
Cash-Narcotics Evidence	222,465
Cash-Police Asset Forfeiture	32,975
Total Governmental Activities	$ 743,451

The Narcotics Evidence, and Police Asset Forfeiture accounts included in the General Fund, are restricted to pay for police and jail operations. The Facilities Improvements Bond Proceeds are restricted to pay for the costs of construction of certain capital improvements for improving public buildings within the City of Jennings. The Facilities Improvements Bond Sinking Reserve was established to insure the payment of bond principal and interest as required by the bond agreement.

Business Type Activities	
Cash-Water and Sewer Deposit Account	$ 67,628
Cash-LAMP, Water and Sewer Deposit Account	225,000
Total Business Type Activities	$ 292,628

The Water and Sewer Deposit account assets, a component of the Utility Fund, are restricted to pay customer deposits in the amount of $292,628 at June 30, 2020. When a customer withdraws from the system, this deposit is refunded less the amount of any charges outstanding against the account.

(8) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2020, for the City of Jennings is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 1,150,520	$ -	$ -	$ -	$ 1,150,520
Construction in progress	116,792	122,406	-	(87,976)	151,222
Total capital assets, not being depreciated	$ 1,267,312	$ 122,406	$ -	$ (87,976)	$ 1,301,742
Capital assets being depreciated:					
Buildings	$ 11,734,607	$ 341,573	$ -	$ 1,996	$ 12,078,176
Building improvements	3,532,767	-	-	-	3,532,767
Computers	341,458	7,538	20,026	-	328,970
Office equipment	223,102	-	2,106	-	220,996
Furniture	36,649	-	-	-	36,649
Machinery and equipment	3,078,546	21,037	159,937	-	2,939,646
Vehicles	2,697,419	598,654	319,035	-	2,977,038
Infrastructure	7,454,242	82,068	-	85,980	7,622,290
Total capital assets being depreciated	29,098,790	1,050,870	501,104	87,976	29,736,532
Less accumulated depreciation for:					
Buildings	3,840,379	390,622	-	-	4,231,001
Building improvements	1,350,266	261,018	-	-	1,611,284
Computers	231,179	29,270	20,027	-	240,422
Office equipment	146,333	23,927	2,036	-	168,224
Furniture	27,518	3,531	-	-	31,049
Machinery and equipment	2,591,789	135,413	158,758	-	2,568,444
Vehicles	2,267,662	156,519	317,571	-	2,106,610
Infrastructure	3,447,576	227,873	-	-	3,675,449
Total accumulated depreciation	13,902,702	1,228,173	498,392	-	14,632,483
Total capital assets being depreciated, net	$ 15,196,088	$ (177,303)	$ 2,712	$ 87,976	$ 15,104,049

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 211,021	$ -	$ -	$ -	$ 211,021
Construction in progress	-	8,998	-	-	8,998
Total capital assets, not being depreciated	$ 211,021	$ 8,998	$ -	$ -	$ 220,019
Capital assets being depreciated:					
Buildings	$ 13,865	$ -	$ -	$ -	$ 13,865
Building improvements	550,481	7,783	-	-	558,264
Computers	116,702	-	2,070	-	114,632
Office equipment	26,927	-	-	-	26,927
Machinery and equipment	13,232,840	57,463	37,918	-	13,252,385
Vehicles	185,036	-	-	-	185,036
Infrastructure	6,976,750	34,316	-	-	7,011,066
Total capital assets being depreciated	21,102,601	99,562	39,988	-	21,162,175
Less accumulated depreciation for:					
Buildings	4,458	462	-	-	4,920
Building improvements	541,821	1,928	-	-	543,749
Computers	83,373	12,882	2,070	-	94,185
Office equipment	15,783	3,826	-	-	19,609
Machinery and equipment	8,329,402	323,962	37,918	-	8,615,446
Vehicles	114,012	22,852	-	-	136,864
Infrastructure	2,690,158	217,845	-	-	2,908,003
Total accumulated depreciation	11,779,007	583,757	39,988	-	12,322,776
Total capital assets being depreciated, net	$ 9,323,594	$ (484,195)	$ -	$ -	$ 8,839,399

Depreciation expense of $1,811,930 for the year ended June 30, 2020, was charged to the following governmental functions:

	Governmental Activities	Business-Type Activities
Culture and recreation	$ 172,561	$ -
General government	268,195	-
Public safety	498,022	-
Public works	289,395	-
Utility system	-	583,757
Total	$ 1,228,173	$ 583,757

(9) CONSTRUCTION COMMITMENTS

The municipality has active construction projects as of June 30, 2020. At year end the commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Drainage improvements	$ -	$ 599,193

(10) ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of $934,255 at June 30, 2020, are as follows:

	Governmental Activities				Business-Type Activities
	General Fund	1994 1% Sales Tax Fund	Other Governmental Activities	Total Governmental Activities	Utility Fund
Accounts	$ 123,326	$ 130,052	$ 3,103	$ 256,481	$ 19,902
Retainage	33,553	14,644	-	48,197	-
Withholdings	73,808	-	7,312	81,120	12,462
Due to customers	-	-	-	-	292,628
Other	223,465	-	-	223,465	-
Total	$ 454,152	$ 144,696	$ 10,415	$ 609,263	$ 324,992

(11) LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligations for the year ended June 30, 2020:

	Governmental Activities			Business-Type Activities
	Revenue Bonds Payable	Net Pension Liability	Total Governmental Activities	Net Pension Liability
Long-term obligations at beginning of year	$ 5,655,000	$ 5,175,275	$ 10,830,275	$ 626,907
Additions	-	-	-	16,248
Deductions	275,000	323,853	598,853	-
Long-term obligations at end of year	$ 5,380,000	$ 4,851,422	$ 10,231,422	$ 643,155

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2020:

	Governmental Activities			Business-Type Activities
	Revenue Bonds Payable	Net Pension Liability	Total Governmental Activities	Net Pension Liability
Current portion	$ 290,000	$ 550,170	$ 840,170	$ 80,459
Long-term portion	5,090,000	4,301,252	9,391,252	562,696
Total	$ 5,380,000	$ 4,851,422	$ 10,231,422	$ 643,155

Bonds payable at June 30, 2020, are comprised of the following individual issues:

Bond	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding	Funding Source
Governmental Activities:						
Facilities Improvements Bonds	$6,000,000	.30 to 5.00%	3-1-2033	$ 1,469,758	$ 4,525,000	1% Sales Tax Revenue
Facilities Improvements Bonds	1,000,000	.65 to 3.50%	3-1-2035	253,550	855,000	1% Sales Tax Revenue
Total	$7,000,000			$ 1,723,308	$ 5,380,000	

In August 2013, the City Council authorized and issued Public Improvement Sales Tax Revenue Bonds, Series ST-2013 to the Jeff Davis Bank in the amount of $6,000,000. The proceeds of this issue are to be used to pay a portion of the costs of construction of certain capital improvements for improving public buildings within the City of Jennings, and to pay the costs of issuance associated with the Bonds.

The bonds were issued on a complete parity with the outstanding Public Improvement Sales Tax Bonds, Series 1995 and Public Improvement Sales Tax Bonds, Series 1997. The bonds, equally with the Outstanding Parity Bonds, are payable from and secured by an irrevocable pledge and dedication of the net proceeds of a 1% sales and use tax approved in December 2012.

The bonds purchased by Jeff Davis Bank shall bear interest starting at .30% in 2014 to 5.00% in 2033. Interest shall be due and payable on March 1 and September 1 of each year beginning on March 1, 2014. Principal will be due on March 1 of each year beginning on March 1, 2014.

In November 2015, the City Council authorized and issued Public Improvement Sales Tax Revenue Bonds, Series ST-2015 to Jeff Davis Bank in the amount of $1,000,000. The proceeds of this issue are to be used to pay a portion of the costs of construction of certain capital improvements for improving public buildings within the City of Jennings, and to pay the costs of issuance associated with the Bonds.

The bonds were issued on a complete parity with the outstanding Series ST-2013 Bonds, Public Improvement Sales Tax Bonds, Series 1995 and Public Improvement Sales Tax Bonds, Series 1997. The bonds, equally with the Outstanding Parity Bonds, are payable from and secured by an irrevocable pledge and dedication of the net proceeds of a 1% sales and use tax approved in December 2012.

The bonds purchased by Jeff Davis Bank shall bear interest starting at .65% in 2016 to 3.50% in 2035. Interest shall be due and payable on March 1 and September 1 of each year beginning on March 1, 2016. Principal will be due on March 1 of each year beginning on March 1, 2016.

The annual requirements to amortize all bonds payable as of June 30, 2020 are as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2021	$ 290,000	$ 194,368	$ 484,368
2022	310,000	189,553	499,553
2023	325,000	183,233	508,233
2024	340,000	175,248	515,248
2025	355,000	165,943	520,943
2026-2030	2,065,000	641,900	2,706,900
2031-2035	1,695,000	173,063	1,868,063
Total	$ 5,380,000	$ 1,723,308	$ 7,103,308

In accordance with R.S. 39:562, the City is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2020, the statutory limit is $23,022,090 and the City has no outstanding bonded debt funded by ad valorem taxes including interest.

In addition, the City is legally restricted from incurring long-term bonded debt secured by sales and use taxes in excess of 75% of the avails of the tax. The municipality was within this 75% limitation when the sales tax bonds were issued.

(12) INTERFUND TRANSFERS

Details related to interfund transfers as of June 30, 2020 are presented as follows:

Fund	Transfer In	Transfer Out
Major Governmental Activities:		
General Fund	$ 1,184,010	$ 1,400,000
1994 1% Sales Tax Fund	1,400,000	2,144,870
Non-major Governmental Activities	960,860	-
Total	$ 3,544,870	$ 3,544,870

The transfers are movements of money from one fund to another. These merely serve as a means to finance activities in the receiving fund.

(13) PENSION PLANS

Substantially all employees of the City of Jennings are members of the following statewide retirement systems: Municipal Employees' Retirement System of Louisiana, Municipal Police Employees' Retirement System of Louisiana, Firefighters' Retirement System of Louisiana, or Louisiana State Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (MERS)

Plan Description

Employees of the City are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:1731 to provide retirement, disability and survivor benefits to employees of all incorporated villages, towns and cities throughout the State of Louisiana. MERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City, except for policemen, firemen, and the City Judge, are members of Plan B. MERS issues a publicly available financial report that may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, calling (225) 925-4810, or by downloading from www.mersla.com.

Benefits Provided

The following is a description of the Plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

Any member of Plan B, who commenced participation in the MERS prior to January 1, 2013, can retire providing the member meets one of the following criteria:

a. Any age with thirty (30) years of creditable service.
b. Age 60 with a minimum of ten (10) or more years of creditable service.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Any member of Plan B hired on or after January 1, 2013 (Tier 2) shall be eligible for retirement if he meets one of the following criteria:

a. Age 67 with seven (7) or more years of creditable service.
b. Age 62 with ten (10) or more years of creditable service.
c. Age 55 with thirty (30) or more years of creditable service.
d. Any age with twenty five (25) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Deferred Retirement Option Plan (DROP) Benefits

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

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

Disability Benefits

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be shall be paid a disability benefit equal to the lesser of an amount equal to two percent of his final compensation multiplied by his years of creditable service, but not less than thirty percent of his final compensation or an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Survivor's Benefits

Upon the death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Cost-of-Living Increases

MERS is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows MERS to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits

Plan B provides for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Contributions

Contributions for all members are established by statute. Member contributions are at 5% of earnable compensation for Plan B. The contributions are deducted from the member's salary and remitted by the participating municipality.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2020, the employer contribution rate was 14.00% of member's earnings for Plan B.

In accordance with state statute, MERS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

The City's contractually required contribution rate for the year ended June 30, 2020 was 14.00% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to the pension plan from the City were $232,091 for the year ended June 30, 2020.

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

At June 30, 2020, the City reported a liability of $1,855,240 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net Pension Liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion was 2.120727%, which was a decrease of .069770 percentage points from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of $351,646 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $525.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to MERS from the following sources:

	Governmental Activities		Business-type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (53,761)	$ -	$ (28,526)
Changes of assumptions	73,888	-	39,207	-
Net difference between projected and actual earnings on pension plan investments	127,662	-	67,740	-
Change in proportion and differences between employer contributions and proportionate share of contributions	1,022	(28,111)	543	(14,917)
Employer contributions subsequent to the measurement date	151,632	-	80,459	-
Total	$ 354,205	$ (81,872)	$ 187,948	$ (43,443)

Deferred outflows of resources of $232,091 related to MERS resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to MERS will be recognized in pension expense as follows:

Year Ended June 30	
2021	$ 96,072
2022	45,680
2023	26,019
2024	16,976
	$ 184,747

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability of MERS as of June 30, 2019 are as follows:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Expected remaining service lives	3 years for Plan B
Actuarial assumptions:	
Investment rate of return	7.00%
Inflation rate	2.50%
Projected salary increases	7.40% for 1 to 4 years of service 4.90% for more than 4 years of service
Mortality rates	Annuitant and beneficiary - PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP 2018 scales
	Employees - PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their repective male and female MP2018 scales
	Disabled annuitants - PubNS-2010(B) Employee Table set equal to 120% fro males and females with the full generational MP2018 scale

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	50%	2.15%
Public fixed income	35%	1.51%
Alternatives	15%	0.64%
Totals	100%	4.30%
Inflation		2.70%
Expected arithmetic nominal return		7.00%

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the MERS net pension liability calculated using the discount rate of 7.000%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2019:

	One Percentage Point Decrease 6.000%	Current Discout Rate 7.000%	One Percentage Point Increase 8.000%
Net pension liability	$ 2,472,558	$ 1,852,792	$ 1,333,156

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Municipal Employees' Retirement System of Louisiana Annual Financial Report at www.mersla.com or www.lla.state.la.us.

Payables to the Pension Plan

These financial statements include a payable to the pension plan of $27,159, which is the legally required contribution due at June 30, 2020. This amount is recorded in accrued expenses.

B. Municipal Police Employees' Retirement System of Louisiana (MPERS)

Plan Description

The City contributes to MPERS which is a cost-sharing multiple-employer defined benefit pension plan. MPERS was established by Act 189 of the 1973 regular session of the Legislature of the State of Louisiana to provide retirement, disability, and survivor benefits to municipal police officers in Louisiana.

The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211- 11:2233.

MPERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.lampers.org or www.lla.state.la.us.

Benefits Provided

The following is a description of the Plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

Any member prior to January 1, 2013, can retire providing he/she meets one of the following criteria:

a. At any age after 25 years of creditable service
b. At age 55 after 12 years of creditable service
c. At age 50 after 20 years of creditable service
d. At any age after 20 years of creditable service, with an actuarially reduced benefit

Any member after January 1, 2013, under Hazardous Duty sub plan can retire providing he/she meets one of the following criteria:

a. At any age after 25 years of creditable service
b. At age 55 after 12 years of creditable service
c. At any age after 20 years of creditable service, with an actuarially reduced benefit from age 55

Any member after January 1, 2013, under Non-Hazardous Duty sub plan can retire providing he/she meets one of the following criteria:

a. At any age after 30 years of creditable service
b. At age 60 after 10 years of creditable service
c. At age 55 after 25 years of creditable service
d. At any age after 20 years of creditable service, with an actuarially reduced benefit from age 55

Benefit rates for membership prior to January 1, 2013, are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Benefit rates for membership after January 1, 2013, are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Deferred Retirement Option Plan (DROP) Benefits

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he/she is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty- six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefits based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

Disability Benefits

The Board of Trustees may award benefits to those eligible members who have been certified as disabled by the State Medical Disability Board. The application must be filed with the Board of Trustees through the office of the Director prior to the date of termination of employment. Please see specific procedures for disability retirement as described and provided for in R.S. 11:208, R.S. 11:216 through R.S. 11:224 and R.S. 11:2223.

Survivor's Benefits

Upon the death of an active contributing member (membership prior to January 1, 2013), or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or $200 per month, whichever is greater.

Upon the death of an active contributing member (membership after January 1, 2013), or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or $200 per month, whichever is greater. If the deceased member had less than ten years of service, the beneficiary will receive a refund of employee contributions only.

Cost-of-Living Increases

The Board of Trustees is authorized to provide annual cost-of-living adjustments (COLA) computed on the amount of the current regular retirement, disability, beneficiary, or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor, or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a COLA until they reach retirement age. A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Initial Benefit Option Plan

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefits, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on the same criteria as DROP.

Contributions

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the year ended June 30, 2020, total contributions due for employers and employees were 42.50%. The employer and employee contribution rates for all members hired prior to January 1, 2013, and Hazardous Duty members hired after January 1, 2013, were 32.50% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013, were 32.50% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 34.25% and 7.5%, respectively.

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended June 30, 2019, and excluded from pension expense.

The City's contractually required contribution rate for the year ended June 30, 2019, was 32.50% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to the pension plan from the City were $310,428 for the year ended June 30, 2020.

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

At June 30, 2020, the City reported a liability of $2,791,307 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net Pension Liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion was .307356%, which was a decrease of .050088 percentage points from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of $295,450 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $239.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to MPERS from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,857	$ (85,876)
Changes of assumptions	156,420	-
Net difference between projected and actual earnings on pension plan investments	181,347 -	-
Change in proportion and differences between employer contributions and proportionate share of contributions	-	(325,577)
Employer contributions subsequent to the measurement date	310,428	-
Total	$ 654,052	$ (411,453)

Deferred outflows of resources of $310,428 related to MPERS resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to MPERS will be recognized in pension expense as follows:

Year Ended June 30	
2021	$ 28,736
2022	(111,043)
2023	(30,803)
2024	45,281
	$ (67,829)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability of MPERS as of June 30, 2019 are as follows:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years
Actuarial assumptions:	
Investment rate of return	7.125%, net of investment expense
Inflation rate	2.50%
Projected salary increases	1-2 years of service: 9.75% 3-23 years of service: 4.75% Over 23 years of service: 4.25%
Mortality rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.
Cost-of-living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014, and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the

System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	48.5%	3.28%
Fixed income	33.5%	0.80%
Alternative	18.0%	1.06%
Totals	100.0%	5.14%
Inflation		2.75%
Expected arithmetic nominal return		7.89%

The discount rate used to measure the total pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the MPERS net pension liability calculated using the discount rate of 7.125%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2019:

	One Percentage Point Decrease 6.125%	Current Discout Rate 7.125%	One Percentage Point Increase 8.125%
Net pension liability	$ 3,889,211	$ 2,791,307	$ 1,870,276

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued Municipal Police Employees' Retirement System of Louisiana Annual Financial Report at www.lampers.org or on www.lla.state.la.us.

Payables to the Pension Plan
These financial statements include a payable to the pension plan of $35,655, which is the legally required contribution due at June 30, 2020. This amount is recorded in accrued expenses.

C. **Firefighters' Retirement System of Louisiana (FRS)**

Plan Description

The City contributes to FRS which is a cost-sharing multiple-employer defined benefit pension plan. FRS was established by Act 434 of 1979 to provide retirement, disability, and death benefits to firefighters in Louisiana.

The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the FRS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Members in the System consist of full-time firefighters, eligible employees of the retirement system, or any person in a position as defined in the municipal fire and police civil service system that earns at least $375 per month, excluding state supplemental pay, and are employed by a fire department of any municipality, parish, or fire district of the State of Louisiana, except for Orleans Parish and the City of Baton Rouge.

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

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

FRS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.lafirefightersret.com or www.lla.state.la.us.

Benefits Provided

The following is a description of the Plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

Any member can retire providing he/she meets one of the following criteria:

a. At any age after 25 years of creditable service
b. At age 55 after 12 years of creditable service
c. At age 50 after 20 years of creditable service

The retirement allowance is equal to three and one-third percent of the member's average final compensation based on the 36 consecutive months of highest pay multiplied by his years of creditable service, not to exceed one hundred percent of his average final compensation.

Optional Allowances

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement. See R.S. 11:2256(A) for additional details on retirement benefits.

Deferred Retirement Option Plan (DROP) Benefits

After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant has several options to receive their deferred retirement option plan benefit. A member may elect to roll over all or a portion of their deferred retirement option plan balance into another eligible qualified plan, receive a lump-sum payment from the account, receive single withdrawals at the discretion of the member, receive monthly or annual withdrawals, or receive an annuity based on the deferred retirement option plan account balance. These withdrawals are in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No withdrawals may be made from the deferred retirement option plan account until the participant retires.

Disability Benefits

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

Survivor's Benefits

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R. S. 11:2256(B) & (C).

Cost-of-Living Increases

Under the provisions of R.S. 11:246 and 11:2260 A (7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these cost of living adjustments, pursuant to R.S. 11:241, the board may also grant an increase based on a formula equal to up to $1 times the total number of years of credited service accrued at retirement or at death of the member or retiree, plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. If there are not sufficient funds to fund the benefit at the rate of one dollar per year for such total number of years, then the rate shall be reduced in proportion to the amount of funds that are available to fund the cost-of-living adjustment.

Initial Benefit Option Plan

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Contributions

Employer contributions are actuarially determined each year. For the year ended June 30, 2020, employer and employee contributions for members above the poverty line were 27.75% and 10.0%, respectively. The employer and employee contribution rates for those members below the poverty line were 29.75% and 8.0%, respectively.

The System also receives insurance premium assessments from the state of Louisiana. This assessment is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended June 30, 2019, and excluded from pension expense. Non-employer contributions received by the System during the year ended June 30, 2019, were $26,807,631.

The City's contractually required contribution rate for the year ended June 30, 2020, was 27.75% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to the pension plan from the City were $84,244 for the year ended June 30, 2020.

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

At June 30, 2020, the City reported a liability of $814,487 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net Pension Liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion was .130070%, which was a decrease of .025361 percentage points from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of $97,289 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $1,605.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to FRS from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (58,752)
Changes of assumptions	74,098	(59)
Net difference between projected and actual earnings on pension plan investments	54,772	-
Change in proportion and differences between employer contributions and proportionate share of contributions	77,351	(338,418)
Employer contributions subsequent to the measurement date	84,244	-
Total	$ 290,465	$ (397,229)

Deferred outflows of resources of $84,244 related to FRS resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to FRS will be recognized in pension expense as follows:

Year Ended June 30	
2021	$ (32,791)
2022	(53,510)
2023	(6,974)
2024	(31,852)
2025	(49,007)
2026	(16,874)
	$ (191,008)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability of FRS as of June 30, 2019, are as follows:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Expected remaining service lives	7 years
Actuarial assumptions:	
Investment rate of return	7.15% per annum (net of investment expenses)
Inflation rate	2.500% per annum
Projected salary increases	Vary from 14.75% in the first two years of service to 4.50% with 25 or more years of service
Mortality rates	The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant, and beneficiary mortality
	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants
Cost of living adjustments	Only those previously granted

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009, through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected nominal rate of return was 7.94% as of June 30, 2019. Best estimates of arithmetic real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2019, are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Expected Portfolio Real Rate of Return
U.S. equity	21.5%	5.98%
Non U.S. equity	17.5%	7.52%
Global equity	10.0%	6.59%
Fixed income	31.0%	2.17%
Real estate	6.0%	4.14%
Private equity	4.0%	10.52%
Global tactical asset allocation	5.0%	4.37%
Risk parity	5.0%	4.67%
Totals	100.0%	4.65%
Inflation		2.50%
Expected arithmetic nominal return		7.15%

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents City's proportionate share of the FRS's net pension liability calculated using the discount rate of 7.15%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2019:

	One Percentage Point Decrease 6.15%	Current Discout Rate 7.15%	One Percentage Point Increase 8.15%
Net pension liability	$ 1,179,432	$ 814,487	$ 508,179

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighters' Retirement System of Louisiana Annual Financial Report at www.lafirefightersret.com or on www.lla.state.la.us.

Payables to the Pension Plan
These financial statements include a payable to the pension plan of $12,080, which is the legally required contribution due at June 30, 2020. This amount is recorded in accrued expenses.

D. Louisiana State Employees' Retirement System (LASERS)

Plan Description

The City contributes to LASERS on behalf of the city judge of the City Court of Jennings (Ward 2). LASERS is a cost-sharing multiple employer defined benefit pension plan. LASERS was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11:401, as amended, for eligible state officers, employees, and their beneficiaries.

LASERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.lasersonline.org or www.lla.state.la.us.

Benefits Provided

The following is a description of the Plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the members' hire date, employer, and job classification. Rank and file members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing thirty years of creditable service, at age 55 upon completing twenty-five years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service.

The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

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

Deferred Retirement Option Plan (DROP) Benefits

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

Initial Benefit Option

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

Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased members' compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child. The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Cost-of-Living Increases

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

Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the year ended June 30, 2020, employer and employee contributions for Judges hired before January 1, 2011 were 42.4% and 11.5%, respectively.

The City's contractually required contribution rate for the year ended June 30, 2020, was 42.4% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to the pension plan from the City were $3,866 for the year ended June 30, 2020.

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

At June 30, 2020, the City reported a liability of $33,544 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net Pension Liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion was .000460%, which was a decrease of .000031 percentage points from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of $4,325 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $1,225.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to LASERS from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 206	$ (70)
Changes of assumptions	287	-
Net difference between projected and actual earnings on pension plan investments	1,159	-
Change in proportion and differences between employer contributions and proportionate share of contributions	-	(1,715)
Employer contributions subsequent to the measurement date	3,866	-
Total	$ 5,518	$ (1,785)

Deferred outflows of resources of $3,866 related to LASERS resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to LASERS will be recognized in pension expense as follows:

Year Ended June 30	
2021	$ 81
2022	(966)
2023	319
2024	433
	$ (133)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability of LASERS as of June 30, 2019, are as follows:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Expected remaining service lives	2 years
Actuarial assumptions:	
Investment rate of return	7.60% per annum
Inflation rate	2.50% per annum
Projected salary increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.20%	13.00%
Judges	2.80%	5.30%
Corrections	3.80%	14.00%
Hazardous Duty	3.80%	14.00%
Wildlife	3.80%	14.00%

Mortality rates	Non-disabled members - Mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, disability, and retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.75% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 9.00% for 2019. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Expected Long Term Real Rate of Return
Cash	0.24%
Domestic equity	4.83%
International equity	5.83%
Domestic fixed income	2.79%
International fixed income	4.49%
Alternative investments	8.32%
Risk Parity	5.06%
Total fund	6.09%

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the LASERS's Net Pension Liability calculated using the discount rate of 7.60%, as well as what the City's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2019:

	One Percentage Point Decrease 6.60%	Current Discout Rate 7.60%	One Percentage Point Increase 8.60%
Net pension liability	$ 42,337	$ 33,544	$ 26,117

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued Louisiana State Employees' Retirement System of Louisiana Annual Financial Report at www.lasersonline.org or on www.lla.state.la.us.

Payables to the Pension Plan
These financial statements include a payable to the pension plan of $ 550, which is the legally required contribution due at June 30, 2020. This amount is recorded in accrued expenses.

(14) LANDFILL JOINT VENTURE

The City is a participant in a joint venture referred to as the Jefferson Davis Parish Sanitary Landfill Commission. This entity was chartered on February 17, 1984. The Commission's purpose is the establishment of a long-term plan for the disposal of solid wastes in Jefferson Davis Parish. The Commission has contracted the operations of the landfill to an outside party. According to the contract, the contractor is responsible for any costs related to pollution remediation and eventual site closure. According to the charter, each participant in the Commission is responsible for a pro rata share of any operating deficits. Likewise, any distributions of surpluses are also shared on a pro rata basis. Each participant's pro rata share is based on the number of households within each participant's unit to the total number of households within all participating units. These proportions were determined using the 1980 U.S. Census as follows:

Locality	Number of Households	Percentages
Jennings	4,161	.421196
Welsh	1,167	.118129
Lake Arthur	1,212	.122684
Parish (excluding Jennings, Welsh, Lake Arthur, & Elton)	3,339	.337991
Totals	9,879	1.000000

The Commission consists of six commissioners as follows: two residents of Jennings, one resident of Welsh, one resident of Lake Arthur, and two residents of Jefferson Davis Parish living outside the city limits of the Jennings, Welsh, Lake Arthur and Elton. The Commission members are to be appointed by the governing body of their place of residence.

The Commission has the power and authority to employ personnel, adopt its own budget and enter into agreements necessary for the operation of the Landfill. In certain instances, some agreements must be consented to by all six members of the Commission. Separate financial statements are available from the Jefferson Davis Parish Landfill Commission upon request.

Condensed financial information for the Jefferson Davis Parish Sanitary Landfill as of December 31, 2019 (the latest available audited financial statements) were as follows:

	Total	Jennings (42.1196%)
Total assets	$ 5,734,924	$ 2,415,527
Deferred outflows of resources	118,038	49,717
Total liabilities	147,834	62,267
Deferred inflows of resources	8,595	3,620
Total net position	5,696,533	2,399,357
Total program revenues	2,099,472	884,289
General revenues	105,827	44,574
Distributions to member governments	1,959,072	825,153
Total expenses	603,041	253,998
Change in net position	(356,814)	(150,289)

As of December 31, 2019, the Commission had no long-term debt outstanding.

The Landfill Commission as owner of a sanitary landfill is subject to Environmental Protection Agency (EPA) regulations that require monitoring the landfill site for 30 years following closure of the site in addition to other closure requirements. These regulations also mandate that landfill owners provide financial assurances that they will have the resources available to satisfy the postclosure standards. These guarantees can be third-party trusts, surety bonds, letters of credit, insurance, or state sponsored plans. According to the Commission's contract with the site operator, "...the contractor shall be responsible for closure in accordance with the permit...". Additionally, "...the contractor's post-closure care, maintenance and monitoring responsibility shall be three (3) years, or as required by law,...". In the event the operator is for whatever reason unwilling or unable to fulfill this requirement, the responsibility for closure and post closure monitoring will revert back to the Commission.

Additionally, because of the industry the Commission participates in, certain potential liabilities are always present. These include, but are not limited to, environmental cleanup costs and EPA penalties for violation of its regulations. The EPA is empowered by law (through the Superfund legislation) to seek recovery from anyone who ever owned or operated a particular contaminated site, or anyone who ever generated or transported hazardous materials to a site (these parties are commonly referred to as potentially responsible parties, or PRPs). Potentially, the liability can extend to subsequent owners or to the parent company of a PRP. While there are no asserted or unasserted potential costs or penalties at the date of this report that the Commission is aware of, the potential is present.

For the year ended June 30, 2020, the City received $126,359 from this Commission as its proportionate distribution, plus $10,000 for economic development. The City also received $405,363 as its share of gas revenues from this Commission. The Commission is classified as a governmental activity and the City of Jennings has not included its 42.1% share of the Commission's net assets in these financial statements.

(15) ECONOMIC DEVELOPMENT COMMISSION JOINT VENTURE

The City is a participant in a joint venture referred to as the Jefferson Davis Parish Economic Development Commission. This entity was chartered on January 30, 2007. The Commission's purpose is to act as an agency to enhance economic development and sustainable growth in Jefferson Davis Parish. According to the charter, each member is responsible for contributing to the Commission an amount equal to the percentage as stated in the Commission's charter. The proportion of annual participation shall be as follows:

Member	Percentage	Not to Exceed
City of Jennings	.395	$ 75,000
Jefferson Davis Parish Tourist Commission	.395	75,000
Town of Welsh	.210	40,000
Total	1.00	

The Commission consists of seven commissioners as follows: three residents of the City of Jennings, three representatives appointed by the Jefferson Davis Parish Tourist Commission, and one resident of the Town of Welsh. The Commission members are to be appointed by the governing body of their place of residence.

The Commission has the power and authority to employ a director to oversee and manage the operation of the commission office, hire other staff as needed, adopt its own budget, and enter into contracts for professional services necessary for the operation of the Commission.

Condensed financial information for the Jefferson Davis Economic Development Commission as of December 31, 2019 (the latest available audited financial statements) were as follows:

	Total	Jennings (39.5%)
Total assets	$ 172,996	$ 68,333
Total liabilities	8,442	3,335
Total net position	164,554	64,999
Total program revenues	175,000	69,125
General revenues	14,268	5,636
Total expenses	190,793	75,363
Change in net position	(1,525)	(602)

As of December 31, 2019, the Commission had no long-term debt outstanding.

The Commission is classified as a governmental activity and the City of Jennings has not included its 39.5% share of the Commission's net assets in these financial statements.

(16) COMPENSATION PAID TO MAYOR AND CITY COUNCIL

Salaries paid to the Mayor and Council during the year was as follows:

Henry Guinn, Mayor	$ 65,000
William J. Armentor	6,000
Carolyn Simon	6,000
Stevie VanHook	6,000
Anthony LeBlanc	6,000
Clifton LeJeune	6,000
Total	$ 95,000

(17) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The City is insured up to policy limits for each of the above risks. There were no significant changes in coverages, retentions, or limits during the year ended June 30, 2020. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years.

(18) LITIGATION AND CONTINGENT LIABILITIES

The City is involved in lawsuits for damages, discrimination, and personal injury. In the opinion of the City's attorney, these suits are without merit and/or adequately covered by liability insurance presently enforce by the City, except for policy deductibles which are considered to be immaterial. City management feels that any amounts not covered by insurance would be immaterial.

(19) FEDERAL GRANT

The City participates in federally assisted grant programs. These programs are subject to the program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City's management feels such disallowances, if any, will be immaterial.

(20) ON-BEHALF PAYMENTS FOR SALARIES

During 1996 the City implemented GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance.* This standard requires the City to report in the financial statements on-behalf salary payments made by the State of Louisiana to certain groups of city employees. Supplementary salary payments are made by the state directly to certain groups of employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the state. For the year ended June 30, 2019 the state paid supplemental salaries to the City's police, firemen and city marshal. On-behalf payments recorded as revenues and expenditures in the general fund financial statements for the year ended June 30, 2020 totaled $213,103.

(21) SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 31, 2020, the date which the financial statements were available to be issued.

Required Supplemental Information

CITY OF JENNINGS, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Favorable / (Unfavorable)
Revenues				
Local sources:				
Taxes				
Ad valorem	$ 466,000	$ 466,000	$ 471,513	$ 5,513
Sales and use	2,496,000	2,496,000	2,566,998	70,998
Franchise tax	540,000	540,000	663,846	123,846
Other taxes, penalties, interest, etc.	33,000	33,000	16,784	(16,216)
Licenses and permits	485,000	485,000	551,717	66,717
Fees, charges, and commissions for services	1,056,000	1,056,000	1,042,888	(13,112)
Fines and forfeitures	36,000	36,000	49,035	13,035
Investment earnings	146,300	146,300	54,642	(91,658)
Other revenues	1,310,500	1,310,500	974,465	(336,035)
State sources:				
State revenue sharing	25,000	25,000	24,735	(265)
Other state sources	550,000	550,000	588,594	38,594
Federal sources	-	-	26,464	26,464
Total revenues	7,143,800	7,143,800	7,031,681	(112,119)
Expenditures				
General government	1,238,495	1,238,495	1,114,682	123,813
Public safety	4,572,814	4,572,814	3,952,368	620,446
Public works	1,118,488	1,118,488	1,057,150	61,338
Cultural and recreation	1,519,463	1,519,463	993,145	526,318
Health & welfare	5,000	5,000	1,477	3,523
Community development	9,750	9,750	9,750	-
Economic development	150,000	150,000	150,000	-
Total expenditures	8,614,010	8,614,010	7,278,572	1,335,438
Excess (deficiency) of revenues over (under) expenditures	(1,470,210)	(1,470,210)	(246,891)	1,223,319
Other financing sources (uses)				
Transfers in	1,184,010	1,184,010	1,184,010	-
Transfers out	(1,400,000)	(1,400,000)	(1,400,000)	-
Gain (loss) on sale of capital assets	-	-	6,511	6,511
Total other financing sources (uses)	(215,990)	(215,990)	(209,479)	6,511
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,686,200)	(1,686,200)	(456,370)	1,229,830
Fund balance at beginning of year	10,816,112	10,816,112	10,816,112	-
Fund balance at end of year	$ 9,129,912	$ 9,129,912	$ 10,359,742	$ 1,229,830

See accompanying notes to the Required Supplementary Information.

CITY OF JENNINGS, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual
1994 1% Sales Tax Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget Favorable /
	Original	Final	Actual Amounts	(Unfavorable)
Revenues				
Local sources				
Taxes:				
Sales and use	$ 2,496,000	$ 2,496,000	$ 2,566,998	$ 70,998
Investment earnings	37,500	37,500	10,981	(26,519)
Total revenues	2,533,500	2,533,500	2,577,979	44,479
Expenditures				
Public safety	120,000	120,000	97,596	22,404
Public works	1,330,000	1,330,000	584,657	745,343
Capital outlay	590,000	590,000	509,522	80,478
Total expenditures	2,040,000	2,040,000	1,191,775	848,225
Excess (deficiency) of revenues over (under) expenditures	493,500	493,500	1,386,204	892,704
Other financing sources (uses)				
Transfers in	1,400,000	1,400,000	1,400,000	-
Transfers out	(2,125,690)	(2,125,690)	(2,144,870)	(19,180)
Total other financing sources (uses)	(725,690)	(725,690)	(744,870)	(19,180)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(232,190)	(232,190)	641,334	873,524
Fund balance (deficit) at beginning of year	1,377,257	1,377,257	1,377,257	-
Fund balance (deficit) at end of year	$ 1,145,067	$ 1,145,067	$ 2,018,591	$ 873,524

See accompanying notes to the Required Supplementary Information.

CITY OF JENNINGS, LOUISIANA

Municipal Employees' Retirement System
Schedule of Employer's Share of Net Pension Liability

For the Year Ended June 30, 2020*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	2.120727%	$ 1,855,240	$ 1,621,223	114.4%	66.1%
2019	2.190497%	$ 1,852,792	$ 1,623,332	114.1%	63.9%
2018	2.183565%	$ 1,889,292	$ 1,620,762	116.6%	62.5%
2017	2.246939%	$ 1,862,507	$ 1,650,846	112.8%	62.1%
2016	2.431884%	$ 1,652,823	$ 1,694,352	97.5%	68.7%
2015	2.446385%	$ 1,148,571	$ 1,651,012	69.6%	76.9%

* The amounts presented were determined as of the measurement date (previous fiscal year end).

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

See accompanying notes to the Required Supplementary Information.

CITY OF JENNINGS, LOUISIANA

Municipal Police Employees' Retirement System
Schedule of Employer's Share of Net Pension Liability

For the Year Ended June 30, 2020*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.307356%	$ 2,791,307	$ 959,843	290.8%	71.0%
2019	0.357444%	$ 3,021,853	$ 1,055,593	286.3%	71.9%
2018	0.360008%	$ 3,143,022	$ 1,074,736	292.4%	70.1%
2017	0.369931%	$ 3,467,296	$ 1,036,254	334.6%	66.0%
2016	0.404035%	$ 3,165,192	$ 1,080,767	292.9%	70.7%
2015	0.424652%	$ 2,656,657	$ 1,099,638	241.6%	75.1%

* The amounts presented were determined as of the measurement date (previous fiscal year end).

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

See accompanying notes to the Required Supplementary Information.

CITY OF JENNINGS, LOUISIANA

Firefighters' Retirement System of Louisiana
Schedule of Employer's Share of Net Pension Liability

For the Year Ended June 30, 2020*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.130070%	$ 814,487	$ 314,363	259.1%	74.0%
2019	0.155431%	$ 894,051	$ 370,058	241.6%	74.8%
2018	0.198084%	$ 1,135,388	$ 462,498	245.5%	73.5%
2017	0.194830%	$ 1,274,364	$ 439,300	290.1%	68.2%
2016	0.163219%	$ 880,911	$ 346,870	254.0%	72.4%
2015	0.194955%	$ 867,533	$ 374,728	231.5%	76.0%

* The amounts presented were determined as of the measurement date (previous fiscal year end).

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

See accompanying notes to the Required Supplementary Information.

CITY OF JENNINGS, LOUISIANA

Louisiana State Employees' Retirement System
Schedule of Employer's Share of Net Pension Liability

For the Year Ended June 30, 2020*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.000460%	$ 33,544	$ 8,846	379.2%	62.9%
2019	0.000491%	$ 33,486	$ 8,846	378.5%	64.3%
2018	0.000510%	$ 35,898	$ 8,880	404.3%	62.5%
2017	0.000515%	$ 40,441	$ 8,914	453.7%	57.7%
2016	0.000639%	$ 43,462	$ 8,880	489.4%	62.7%
2015	0.000510%	$ 31,702	$ 9,118	347.7%	65.0%

* The amounts presented were determined as of the measurement date (previous fiscal year end).

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

See accompanying notes to the Required Supplementary Information.

CITY OF JENNINGS, LOUISIANA

Municipal Employees' Retirement System
Schedule of Employer Contributions

For the Year Ended June 30, 2020*

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2020	$ 232,091	$ 232,091	$ -	$ 1,657,794	14.0%
2019	$ 226,971	$ 226,971	$ -	$ 1,621,223	14.0%
2018	$ 215,091	$ 215,091	$ -	$ 1,623,332	13.2%
2017	$ 178,284	$ 178,284	$ -	$ 1,620,762	11.0%
2016	$ 156,830	$ 156,830	$ -	$ 1,650,846	9.5%
2015	$ 160,964	$ 160,964	$ -	$ 1,694,352	9.5%
2014	$ 140,288	$ 140,288	$ -	$ 1,651,012	8.5%

*Amounts presented were determined as of the end of the fiscal year.

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

See accompanying notes to the Required Supplementary Information.

CITY OF JENNINGS, LOUISIANA

Municipal Police Employees' Retirement System
Schedule of Employer Contributions

For the Year Ended June 30, 2020*

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2020	$ 310,428	$ 310,428	$ -	$ 955,164	32.5%
2019	$ 309,549	$ 309,549	$ -	$ 959,843	32.2%
2018	$ 324,595	$ 324,595	$ -	$ 1,055,593	30.8%
2017	$ 341,229	$ 341,229	$ -	$ 1,074,736	31.8%
2016	$ 305,695	$ 305,695	$ -	$ 1,036,254	29.5%
2015	$ 340,442	$ 340,442	$ -	$ 1,080,767	31.5%
2014	$ 329,923	$ 329,923	$ -	$ 1,099,638	30.0%

*Amounts presented were determined as of the end of the fiscal year.

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

See accompanying notes to the Required Supplementary Information.

CITY OF JENNINGS, LOUISIANA

Firefighters' Retirement System of Louisiana
Schedule of Employer Contributions

For the Year Ended June 30, 2020*

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2020	$ 84,244	$ 84,244	$ -	$ 303,582	27.7%
2019	$ 83,306	$ 83,306	$ -	$ 314,363	26.5%
2018	$ 98,065	$ 98,065	$ -	$ 370,058	26.5%
2017	$ 116,781	$ 116,781	$ -	$ 462,498	25.3%
2016	$ 119,709	$ 119,709	$ -	$ 439,300	27.2%
2015	$ 101,460	$ 101,460	$ -	$ 346,870	29.3%
2014	$ 102,448	$ 102,448	$ -	$ 374,728	27.3%

*Amounts presented were determined as of the end of the fiscal year.

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

See accompanying notes to the Required Supplementary Information.

CITY OF JENNINGS, LOUISIANA

Louisiana State Employees' Retirement System
Schedule of Employer Contributions

For the Year Ended June 30, 2020*

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2020	$ 3,866	$ 3,866	$ -	$ 9,118	42.4%
2019	$ 3,547	$ 3,547	$ -	$ 8,846	40.1%
2018	$ 3,547	$ 3,547	$ -	$ 8,846	40.1%
2017	$ 3,374	$ 3,374	$ -	$ 8,880	38.0%
2016	$ 3,396	$ 3,396	$ -	$ 8,914	38.1%
2015	$ 3,685	$ 3,685	$ -	$ 8,880	41.5%
2014	$ 3,213	$ 3,213	$ -	$ 9,118	35.2%

*Amounts presented were determined as of the end of the fiscal year.

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

See accompanying notes to the Required Supplementary Information.

Notes to the Required Supplementary Information
As of and for the Year Ended June 30, 2020

1. BUDGETS

Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the City. Legally, the City must adopt a balanced budget; that is total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the City to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

Explanation of Significant Difference Between Original and Final Budget

There were no significant differences between the original and final budget for the year ended June 30, 2020.

2. PENSIONS

Changes of Benefit Terms

For MERS, FRS, MPERS, and LASERS, there were no changes of benefit terms for the year ended June 30, 2020.

Changes of Assumptions

Municipal Employees' Retirement System
For the actuarial valuation for the year ended June 30, 2019, the discount rate was reduced from 7.275% to 7.00%. Inflation rate was reduced from 2.60% to 2.50%.

Firefighters' Retirement System
For the actuarial valuation for the year ended June 30, 2019, the discount rate was reduced from 7.30% to 7.15%. Inflation rate was reduced from 2.70% to 2.50%.

Municipal Police Employees' Retirement System
For the actuarial valuation for the year ended June 30, 2019, the discount rate was reduced from 7.20% to 7.125%. Inflation rate was reduced from 2.60% to 2.50%.

Louisiana State Employees' Retirement System
For the actuarial valuation for the year ended June 30, 2019, the discount rate was reduced from 7.65% to 7.60%. Expected remaining service lives was changed from 3 years to 2 years.

Other Supplemental Schedules

CITY OF JENNINGS, LOUISIANA
Combining Balance Sheet
Non-major Governmental Funds

June 30, 2020

	Special Revenue		Capital Projects	Debt Service	Total
	Street Fund	Library Fund	Facilities Improvements Fund	Facilities Improvements Sinking Fund	Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,032,766	$ 348,192	$ -	$ 121,664	$ 1,502,622
Investments	-	17,905	-	-	17,905
Receivables (net of allowances for uncollectibles)	10,010	746	-	-	10,756
Prepaid items	597	4,910	-	-	5,507
Restricted cash and cash equivalents	-	-	3,536	484,475	488,011
Total assets	$ 1,043,373	$ 371,753	$ 3,536	$ 606,139	$ 2,024,801
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries, and other payables	$ 7,055	$ 3,360	$ -	$ -	$ 10,415
Total liabilities	7,055	3,360	-	-	10,415
Fund balances:					
Restricted for:					
Public works	1,036,318	-	-	-	1,036,318
Culture and recreation	-	368,393	-	-	368,393
Debt service	-	-	-	606,139	606,139
Capital projects	-	-	3,536	-	3,536
Total fund balances	1,036,318	368,393	3,536	606,139	2,014,386
Total liabilities and fund balances	$ 1,043,373	$ 371,753	$ 3,536	$ 606,139	$ 2,024,801

The accompanying notes are an integral part of this statement.

CITY OF JENNINGS, LOUISIANA
Non-major Governmental Funds

Combining Statement of Revenues, Expenditures and and Changes in Fund Balances

For the Year Ended June 30, 2020

	Special Revenue		Capital Projects	Debt Service	Total
	Street Fund	Library Fund	Facilities Improvements Fund	Facilities Improvements Sinking Fund	Nonmajor Governmental Funds
REVENUES					
Local sources:					
Taxes					
Ad valorem	$ 583,529	$ 261,160	$ -	$ -	$ 844,689
Other taxes, penalties, interest, etc.	1,748	783	-	-	2,531
Fines and forfeitures	-	44	-	-	44
Investment earnings	9,092	1,921	1,081	-	12,094
Other revenues	9,529	69,257	-	-	78,786
State sources:					
Other state funds	13,090	2,147	-	-	15,237
Federal sources	1,797	-	-	-	1,797
Total revenues	618,785	335,312	1,081	-	955,178
EXPENDITURES					
General government	-	-	-	1,200	1,200
Public works	869,557	-	-	-	869,557
Cultural and recreation	-	277,167	-	-	277,167
Debt service	-	-	-	473,153	473,153
Capital outlay	-	-	332,213	-	332,213
Total expenditures	869,557	277,167	332,213	474,353	1,953,290
Excess (deficiency) of revenues over (under) expenditures	(250,772)	58,145	(331,132)	(474,353)	(998,112)
OTHER FINANCING SOURCES (USES)					
Transfers in	417,327	-	69,180	474,353	960,860
Gain (loss) on sale of capital assets	2,070	-	-	-	2,070
Total other financing sources and uses	419,397	-	69,180	474,353	962,930
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	168,625	58,145	(261,952)	-	(35,182)
Fund balances - beginning	867,693	310,248	265,488	606,139	2,049,568
Fund balances - ending	$ 1,036,318	$ 368,393	$ 3,536	$ 606,139	$ 2,014,386

The accompanying notes are an integral part of this statement.

CITY OF JENNINGS, LOUISIANA

Schedule of Compensation, Benefits, and other Payments to Agency Head or Chief Executive Officer

For the Year Ended June 30, 2020

Agency Head Name: Mayor Henry Guinn

Purpose	Amount
Salary	$ 65,000
Benefits-insurance	9,084
Benefits-retirement	9,170
Benefits-other	-
Mileage	3,543
Vehicle provided by government	-
Per diem	-
Reimbursements	28
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	850
	$ 87,675

The accompanying notes are an integral part of this statement.

Other Reports

J. Aaron Cooper, CPA, LLC

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Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.
Recipient of Advanced Single Audit Certificate

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 Mayor and Members
of the City Council
City of Jennings, Louisiana

I 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 Jennings, Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's primary government basic financial statements and have issued my report thereon dated December 31, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

This report is intended solely for the information and use of management, the City Council, others within the entity, the Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.

J. Aaron Cooper, CPA, LLC

Certified Public Accountants

Jennings, Louisiana
December 31, 2020

CITY OF JENNINGS, LOUISIANA

Corrective Action Plan for Current Year Findings
For the Year Ended June 30, 2020

No current year findings

CITY OF JENNINGS, LOUISIANA

Schedule of Prior Year Findings
For the Year Ended June 30, 2020

2019-01 Compliance

Condition: During my testing of compliance, I noted several instances of noncompliance with the Louisiana Public Bid Law

Criteria: Public entities must follow Public Bid Law requirements per Louisiana Revised Statute 38:2211.

Cause: The City does not have adequate policies, procedures, and controls in place to monitor its expenditures in accordance with the Public Bid Law.

Effect: The City was not in compliance with the Louisiana Public Bid Law as required by Louisiana Revised Statute 38:2211.

Recommendation: The city's management should establish policies and procedures that provide reasonable assurance that purchases comply with the Louisiana Public Bid Law.

Corrective action taken: All personnel responsible for complying with the Public Bid Law were informed of its requirements. The City's management implemented policies and procedures to ensure that purchases comply with the Louisiana Public Bid Law.