

**CITY OF GRAMBLING, LOUISIANA**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

CITY OF GRAMBLING, LOUISIANA  
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DECEMBER 31, 2021

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THE U.S. DEPARTMENT OF AGRICULTURE**

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**BROWN, EWING & CO.**  
P. A.  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Edward Jones, Mayor  
and Members of the City Council  
City of Grambling, Louisiana

### Opinions

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

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

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

## **Required Supplementary Information**

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

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grambling, Louisiana's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

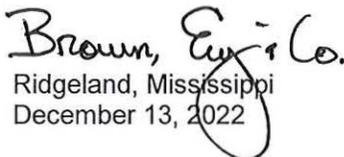
## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections<sup>r</sup> but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022, on our consideration of the City of Grambling, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

  
Ridgeland, Mississippi  
December 13, 2022

***MANAGEMENT'S DISCUSSION AND ANALYSIS***

CITY OF GRAMBLING, LOUISIANA  
Management's Discussion and Analysis  
December 31, 2021

Our discussion and analysis of the City of Grambling, Louisiana's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2021.

**FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

Governmental activities reported an increase in net position of \$313,806 from 2020 to 2021, whereas business-type activities reported an increase of \$327,119. The increase in net position of the governmental activities was due to an increase in total revenues. The net position of the business-type activities went from an increase in 2020 of \$303,312 to an increase of \$327,119 in 2021. This increase in net position of the business-type activities was also due to an increase in total revenues.

Total governmental activities revenue increased \$473,481, or 16.92%, from 2020 to 2021. Program specific revenues increased by \$201,775, or 101.93%, due to an increase in operating and capital grants and contributions. General revenues had a net increase of \$271,706, or 10.45%, due to an increase in sales taxes of \$279,636, an increase in fines and forfeitures of \$130,763, and an increase in license and permits revenue of \$56,405 included in general revenues.

Total business-type activities revenues increased \$98,005, or 5.95%, from 2020 to 2021, while expenses increased by \$116,198. The increase in revenues was due to an increase in capital grants and contributions of \$201,929 or 67.11%. A decrease in expenses is primarily due to an increase in personnel costs of \$94,265.

Total expenses for governmental activities was \$2,863,938 in 2021. \$399,730 of these expenses were offset by program specific revenues. General revenues of \$2,872,501 were adequate to cover the remaining governmental activities expenses.

The General Fund's fund balance increased by \$274,203 during 2021 as compared to a net increase in 2020 of \$405,584. Total revenues increased by \$261,439 while total expenditures decreased by \$358,968 from 2020 to 2021. Transfers in were \$190,437 and \$182,288, for 2021 and 2020 respectively. Transfers out were \$42,000 for 2021 and zero for 2020.

The General Fund's fund balance has a positive amount of \$702,237 due to several conditions. When the current administration took office on January 1, 2011, the deficit was \$216,945. There have been many instances since January 2011 whereby management has learned of prior obligations, such as liability insurance and worker's compensation insurance, that contributed to the prior years deficit in that old bills had to be accrued. The old bills also took cash that was needed to pay current bills. Management has made a concerted effort to make repairs and improvements to City facilities and systems. These efforts have eliminated the deficit and the City currently has a positive net position. Also, the City has purchased property to include in the development of a hotel, restaurant, and other businesses in the City that are expected to generate significant property and sales tax revenues in the future as well as increasing licenses and permits and utility revenues.

CITY OF GRAMBLING, LOUISIANA  
Management's Discussion and Analysis  
December 31, 2021

The Health and Sanitation Fund's fund balance increased \$3,707 in 2021 as compared to a decrease of \$50,969 in 2020. Health and Sanitation Fund's revenues were \$517,311 in 2021, which is an increase of \$82,734 or 19.04% greater than 2020 revenues. The increase was due to a increase in charges for services of \$25,961 when compared to 2020. Additionally, an increase of \$78,379 in sales tax revenues when compared to 2020.

Health and Sanitation Fund's 2021 expenditures decreased by \$734, or 0.0022%, from 2020. The decrease in total expenditures was due to a decrease in operating expenses and capital outlays.

The Debt Service Fund had no change in fund balance in 2021 as compared to in 2020.

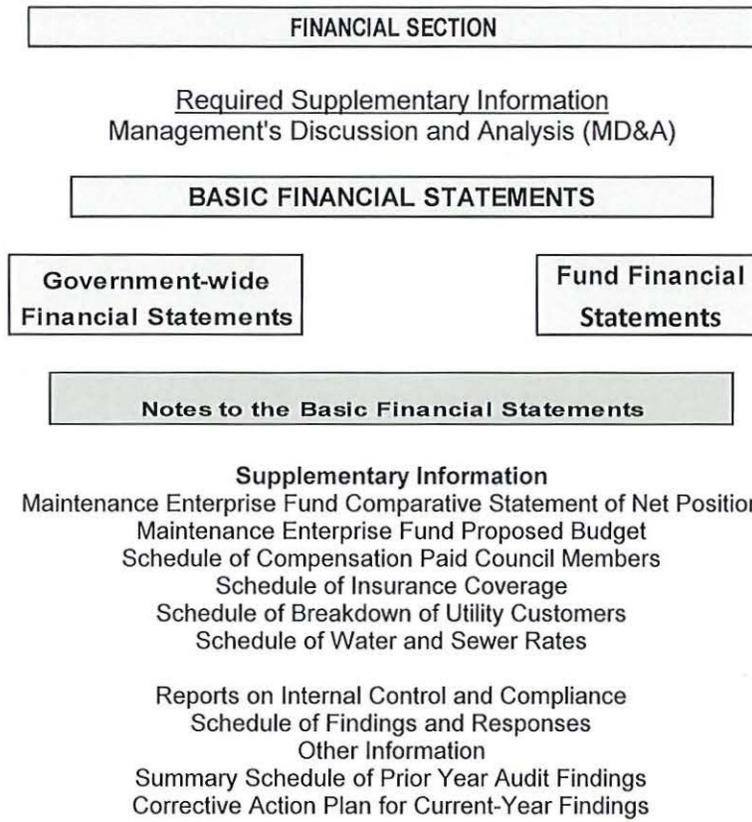
The Capital Project Fund had no change in fund balance from 2020 to 2021.

#### **USING THIS ANNUAL REPORT**

The City's annual report consists of a series of financial statements that show information for the City as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. For our governmental activities, the fund financial statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the City's overall financial health. Fund financial statements also report the City's operation in more detail than the government-wide financial statements by providing information about the City's most significant funds - the General Fund, Health & Sanitation Fund, Debt Service Fund, and Capital Project Fund.

CITY OF GRAMBLING, LOUISIANA  
Management's Discussion and Analysis  
December 31, 2021

The following chart reflects the information included in this annual report.



Our auditor has provided assurance in the independent auditors' report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Supplementary Information, the Supplementary Information and Other Information identified above. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

### Reporting on the City as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins with the government-wide financial statements. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information about the City as a whole and its activities in a way that helps answer this question. We prepared these statements to include all assets, liabilities and deferred inflows/outflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

CITY OF GRAMBLING, LOUISIANA  
Management's Discussion and Analysis  
December 31, 2021

These two statements report the City's net position - the difference between assets, liabilities, and deferred inflows/outflows of resources, as reported in the Statement of Net Position - as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the City's operating results. However, the City's goal is to provide services to our citizens, not to generate profits as commercial entities do. One must consider other nonfinancial factors, such as the quality of police and fire protection, the conditions of the City's roads, the quality of water, and sewer and sanitation systems to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental Activities - most of the City's basic services are reported here, including the police, fire, street, and general administration. Property taxes, franchise fees, licenses and fees, fines and forfeitures, and state and federal grants finance most of these activities.

Business-type Activities - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer systems are reported here.

#### Reporting the City's Most Significant Funds

##### Fund Financial Statements

The City's fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law. However, the City establishes other funds to help it control and manage money for particular purposes (like the capital project fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds - governmental and proprietary use different accounting approaches:

Governmental funds - Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's operations and the services it provides. Governmental fund information helps you determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations (Statements D and F).

Proprietary funds - When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's maintenance enterprise fund (a component of proprietary funds) are the same as business-type activities we reported in the government-wide financial statements but provide more detail and additional information, such as cash flows, for proprietary funds.

CITY OF GRAMBLING, LOUISIANA  
Management's Discussion and Analysis  
December 31, 2021

**THE CITY AS A WHOLE**

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

**Table 1  
Net Position  
December 31, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 1,053,320	829,006	1,468,072	585,173	2,521,392	\$ 1,414,179
Capital assets, net	2,197,515	2,275,137	3,893,908	3,013,125	6,091,423	5,288,262
<b>Total assets</b>	<b>\$ 3,250,835</b>	<b>3,104,143</b>	<b>5,361,980</b>	<b>3,598,298</b>	<b>8,612,815</b>	<b>\$ 6,702,441</b>
Current and other liabilities	\$ 196,413	363,526	499,322	501,639	695,735	\$ 865,165
Long-term liabilities	126,335	141,243	2,105,176	1,618,666	2,231,511	1,759,909
<b>Total Liabilities</b>	<b>322,748</b>	<b>504,769</b>	<b>2,604,498</b>	<b>2,120,305</b>	<b>2,927,246</b>	<b>2,625,074</b>
Deferred Inflows of resources	71,663	56,756	952,370	-	1,024,033	56,756
<b>Net position</b>						
Net investment in capital assets	2,197,515	2,275,137	337,684	337,684	2,535,199	2,612,821
Restricted	153,811	55,555	-	-	153,811	55,555
Unrestricted	505,098	211,926	1,467,428	1,140,309	1,972,526	1,352,235
<b>Total net position</b>	<b>2,856,424</b>	<b>2,542,618</b>	<b>1,805,112</b>	<b>1,477,993</b>	<b>4,661,536</b>	<b>4,020,611</b>
<b>Total Liabilities and net position</b>	<b>\$ 3,250,835</b>	<b>3,104,143</b>	<b>5,361,980</b>	<b>3,598,298</b>	<b>8,612,815</b>	<b>\$ 6,702,441</b>

CITY OF GRAMBLING, LOUISIANA  
Management's Discussion and Analysis  
December 31, 2021

**Table 2**  
**Changes in Net Position**  
**For the Year Ended December 31, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
<b>Program Revenue:</b>						
Charges for services	\$ 177,839	151,876	1,128,377	1,275,559	1,306,216	\$ 1,427,435
Operating grants and contributions	50,798	5,350	-	-	50,798	5,350
Capital grants and contributions	171,093	40,729	502,820	300,891	673,913	341,620
<b>General Revenue:</b>						
Property taxes	678,298	745,448	88,533	33,624	766,831	779,072
Sales taxes	1,246,171	966,535	-	-	1,246,171	966,535
Fines and forfeitures	535,224	404,461	-	-	535,224	404,461
Licenses and permits	216,419	160,014	-	-	216,419	160,014
Interest income	54	16	-	-	54	16
Intergovernmental revenue	21,429	22,454	-	-	21,429	22,454
Miscellaneous	174,906	301,867	24,672	36,323	199,578	338,190
<b>Total Revenues</b>	<b>3,272,231</b>	<b>2,798,750</b>	<b>1,744,402</b>	<b>1,646,397</b>	<b>5,016,633</b>	<b>4,445,147</b>
<b>Expenses:</b>						
General Government	890,686	733,920	-	-	890,686	733,920
Public safety	1,398,018	1,223,903	-	-	1,398,018	1,223,903
Health and sanitation	319,102	284,205	-	-	319,102	284,205
Parks and recreation	60,959	57,546	-	-	60,959	57,546
Highway and streets	84,429	174,270	-	-	84,429	174,270
Economic development	106,741	78,669	-	-	106,741	78,669
Interest on long-term debt	4,003	5,287	-	-	4,003	5,287
Business-type activities:						
Utility enterprise	-	-	1,459,283	1,343,085	1,459,283	1,343,085
<b>Total Expenses</b>	<b>2,863,938</b>	<b>2,557,800</b>	<b>1,459,283</b>	<b>1,343,085</b>	<b>4,323,221</b>	<b>3,900,885</b>
<b>Increase (decrease) in Net Position</b>						
Before Transfers and Special Items	408,293	240,950	285,119	303,312	693,412	544,262
Transfers in (out)	(42,000)	-	42,000	-	-	-
<b>Increase (decrease) in net position</b>	<b>366,293</b>	<b>240,950</b>	<b>327,119</b>	<b>303,312</b>	<b>693,412</b>	<b>544,262</b>
Net position, beginning	2,542,648	2,301,698	1,477,993	1,174,681	4,020,641	3,476,379
Prior period adjustment	(52,487)	-	-	-	(52,487)	-
<b>Net position, restated</b>	<b>2,490,161</b>	<b>2,301,698</b>	<b>1,477,993</b>	<b>1,174,681</b>	<b>3,968,154</b>	<b>3,476,379</b>
<b>Net Position Ending</b>	<b>\$ 2,856,454</b>	<b>2,542,648</b>	<b>1,805,112</b>	<b>1,477,993</b>	<b>4,661,566</b>	<b>\$ 4,020,641</b>

CITY OF GRAMBLING, LOUISIANA  
Management's Discussion and Analysis  
December 31, 2021

**Governmental Activities**

The cost of all governmental activities this year was \$2,863,938. However, as shown in the Statement of Activities. The amount that our taxpayers ultimately financed for these activities through City taxes and other revenue was \$2,464,208 because some of the cost was paid by those who directly benefited from the programs and grants in the amount of \$399,730.

Table 3 presents the cost of each of the City's governmental activities as well as each program's net cost (total costs less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

**Table 3  
Governmental Activities  
For the Year Ended December 31, 2021 and 2020**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	2021	2020	2021	2020
General government	\$ 890,686	733,920	(819,593)	\$ (718,240)
Public safety	1,398,018	1,223,903	(1,247,220)	(1,218,553)
Health and sanitation	319,102	284,205	(141,263)	(107,280)
Park and recreation	60,959	57,546	(60,959)	(57,546)
Highway and streets	84,429	174,270	(84,429)	(174,270)
Economic development	106,741	78,669	(106,741)	(78,669)
Interest on long-term debt	4,003	5,287	(4,003)	(5,287)
Total Program Expenses	<u>\$ 2,863,938</u>	<u>2,557,800</u>	<u>(2,464,208)</u>	<u>\$ (2,359,845)</u>

**Table 4  
Business-Type Activities  
For the Year Ended December 31, 2021 and 2020**

**Business-Type Activities**

The following table presents the cost of activities of the City. The table also shows the net cost (total cost less charges for services generated by the activity). The net cost shows the financial burden that was placed on taxpayers by the activities.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	2021	2020	2021	2020
Business-Type Activities				
Utility enterprise	\$1,459,283	1,343,085	171,914	\$(233,365)
Total Program Expenses	<u>\$1,459,283</u>	<u>1,343,085</u>	<u>171,914</u>	<u>\$(233,365)</u>

Revenues and expenses of the City's business-type activities as shown in table 3 remained relatively stable for 2021 compared to 2020.

CITY OF GRAMBLING, LOUISIANA  
Management's Discussion and Analysis  
December 31, 2021

**THE CITY'S FUNDS**

As the City completed the year, its governmental funds reported a combined fund balance of \$865,791 which is an increase of \$376,166 in fund balance from last year. See the financial highlights section for more details.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Original total budgeted expenditures in the General Fund were \$2,057,000. Amendments increased total budgeted expenditures by \$256,000. These amendments were the result of an analysis of variances from estimates at the time the original budget was prepared. Significant individual accounts amended were:

Capital outlays \$ 257,000

**CAPITAL ASSETS**

At December 31, 2021 and 2020, the City had invested in the following capital assets:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
Land	\$ 244,402	244,402	49,182	49,182	293,584	\$ 293,584
Construction in progress	15,680	15,680	1,424,785	538,809	1,440,465	554,489
Buildings	1,877,835	1,877,835	242,106	242,106	2,119,941	2,119,941
Infrastructure	849,731	915,738	-	-	849,731	915,738
Vehicles	-	-	35,446	35,446	35,446	35,446
Furniture and equipment	1,532,102	1,598,007	-	-	1,532,102	1,598,007
Sewage plant	-	-	5,635,538	5,452,152	5,635,538	5,452,152
Water system	-	-	2,047,527	2,047,527	2,047,527	2,047,527
Water/sewer equipment	-	-	1,194,997	1,194,997	1,194,997	1,194,997
Total Capital Assets	4,519,750	4,651,662	10,629,581	9,560,219	15,149,331	14,211,881
Less: Accumulated Deprec.	2,322,235	2,376,525	6,735,671	6,547,094	9,057,906	8,923,619
Net Capital Assets	<u>\$ 2,197,515</u>	<u>2,275,137</u>	<u>3,893,910</u>	<u>3,013,125</u>	<u>6,091,425</u>	<u>\$ 5,288,262</u>

**DEBT ADMINISTRATION**

At December 31, 2021, the City's Maintenance Enterprise fund had \$1,430,925 in bonds payable outstanding and the Governmental funds had debt consisting of \$128,828 in limited tax revenue bonds. For further details see Note 9 to the Basic Financial Statements.

CITY OF GRAMBLING, LOUISIANA  
Management's Discussion and Analysis  
December 31, 2021

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Our elected and appointed officials and citizens consider many factors when setting the City's budget and tax rates. One of the most important factors affecting the budget is our property tax and sales tax collections. Property and sales tax make up more than 56% of 2021 revenues. The 2021 budget includes \$60,000 or a 0.0948% increase in property tax and sales tax revenues. Major plans for 2021 include developing an area of the City to include a shopping area and restaurants. Management will strive to improve the City's financial condition by restricting expenditures to needs and by searching for ways to increase revenues. Management expects future needs to be more and more manageable as routine obligations and repair and maintenance needs are brought up to date.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives, If you have questions about this report or wish to request additional financial information, contact Edward Jones, Mayor, at the City of Grambling, P.O. Box 108, Grambling, Louisiana 71245, telephone number (318) 247-6120.

***BASIC FINANCIAL STATEMENTS***

## Statement A

CITY OF GRAMBLING, LOUISIANA  
Statement of Net Position  
December 31, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 513,946	1,002,928	\$ 1,516,874
Net receivables	537,371	151,133	688,504
Prepaid expenses	-	1,484	1,484
Due from other funds	2,003	58,444	60,447
Restricted Assets:			
Cash and cash equivalents	-	254,083	254,083
Capital Assets not being depreciated:			
Land	244,402	49,182	293,584
Construction in progress	15,680	1,424,785	1,440,465
Capital assets net of accumulated depreciation:			
Buildings and improvements	1,081,289	3,833	1,085,122
Automotive and equipment	348,972	-	348,972
Infrastructure	<u>507,172</u>	<u>2,416,108</u>	<u>2,923,280</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,250,835</u></b>	<b><u>5,361,980</u></b>	<b><u>\$ 8,612,815</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 36,985	132,421	\$ 169,406
Accrued and other liabilities	72,766	19,608	92,374
Interest payable on long term debt	3,373	15,934	19,307
Customer deposits payable from restricted assets	-	132,265	132,265
Due to other funds	6,115	54,332	60,447
Noncurrent liabilities:			
Due within one year	77,174	144,762	221,936
Due in more than one year	<u>126,335</u>	<u>2,105,176</u>	<u>2,231,511</u>
<b>Total Liabilities</b>	<b><u>322,748</u></b>	<b><u>2,604,498</u></b>	<b><u>2,927,246</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax revenues	71,663	-	71,663
Deferred grant revenues	-	<u>952,370</u>	<u>952,370</u>
<b>Total deferred inflows of resources</b>	<b><u>71,663</u></b>	<b><u>952,370</u></b>	<b><u>1,024,033</u></b>
<b>NET POSITION:</b>			
Net Investment in capital assets	2,197,515	337,684	2,535,199
Restricted for:			
Debt service	153,811	-	153,811
Unrestricted	<u>505,098</u>	<u>1,467,428</u>	<u>1,972,526</u>
<b>Total Net Position</b>	<b><u>2,856,424</u></b>	<b><u>1,805,112</u></b>	<b><u>4,661,536</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 3,250,835</u></b>	<b><u>5,361,980</u></b>	<b><u>\$ 8,612,815</u></b>

The Accompanying Notes are an intergral part of these Financial Statements.

Statement B

CITY OF GRAMBLING, LOUISIANA  
Statement of Activities  
For the Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 890,686	-	-	71,093	(819,593)	-	\$ (819,593)
Public safety	1,398,018	-	50,798	100,000	(1,247,220)	-	(1,247,220)
Health and sanitation	319,102	177,839	-	-	(141,263)	-	(141,263)
Parks and recreation	60,959	-	-	-	(60,959)	-	(60,959)
Public works	84,429	-	-	-	(84,429)	-	(84,429)
Economic development	106,741	-	-	-	(106,741)	-	(106,741)
Interest on long-term debt	4,003	-	-	-	(4,003)	-	(4,003)
Total governmental activities	<u>2,863,938</u>	<u>177,839</u>	<u>50,798</u>	<u>171,093</u>	<u>(2,464,208)</u>	<u>-</u>	<u>(2,464,208)</u>
Business-type activities:							
Utility Enterprise	<u>1,459,283</u>	<u>1,128,377</u>	<u>-</u>	<u>502,820</u>	<u>-</u>	<u>171,914</u>	<u>171,914</u>
Total Business-type activities	<u>1,459,283</u>	<u>1,128,377</u>	<u>-</u>	<u>502,820</u>	<u>-</u>	<u>171,914</u>	<u>171,914</u>
Total	<u>\$ 4,323,221</u>	<u>1,306,216</u>	<u>50,798</u>	<u>673,913</u>	<u>(2,464,208)</u>	<u>171,914</u>	<u>\$ (2,292,294)</u>
General Revenues:							
Property taxes					\$ 678,298	88,533	\$ 766,831
Sales taxes					1,246,171	-	1,246,171
License and permits					216,419	-	216,419
Fines and forfeitures					535,224	-	535,224
Interest income					54	-	54
Intergovernmental revenues					21,429	-	21,429
Miscellaneous					174,906	24,672	199,578
Transfer in (out)					(42,000)	42,000	-
Total general revenues, special items, and transfers					<u>2,830,501</u>	<u>155,205</u>	<u>2,985,706</u>
Change in net position					<u>366,293</u>	<u>327,119</u>	<u>693,412</u>
Net Position - Beginning as previously stated					<u>2,542,618</u>	<u>1,477,993</u>	<u>4,020,611</u>
Prior period adjustments					<u>(52,487)</u>	<u>-</u>	<u>(52,487)</u>
Net Position as restated					<u>2,490,131</u>	<u>1,477,993</u>	<u>3,968,124</u>
Net Position - Ending					<u>\$ 2,856,424</u>	<u>1,805,112</u>	<u>\$ 4,661,536</u>

The Accompanying Notes are an intergral part of these Financial Statements.

## Statement C

CITY OF GRAMBLING, LOUISIANA  
Balance Sheet  
Governmental Funds  
December 31, 2021

	General Fund	Health and Sanitation	Nonmajor Special Revenue Funds	Debt Service	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 359,275	28,050	126,621	-	\$ 513,946
Receivables, net	390,304	39,866	-	-	430,170
Accounts receivable	35,011	-	-	-	35,011
Intergovernmental receivable	45,000	-	27,190	-	72,190
Interfund receivables	<u>54,332</u>	<u>6,115</u>	<u>-</u>	<u>-</u>	<u>60,447</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 883,922</u></b>	<b><u>74,031</u></b>	<b><u>153,811</u></b>	<b><u>-</u></b>	<b><u>\$ 1,111,764</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable, general	\$ 31,277	2,909	-	-	\$ 34,186
Accrued and other liabilities	72,630	2,935	-	-	75,565
Interfund payables	<u>6,115</u>	<u>58,444</u>	<u>-</u>	<u>-</u>	<u>64,559</u>
<b>Total Liabilities</b>	<b><u>110,022</u></b>	<b><u>64,288</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>174,310</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property tax revenues	<u>71,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,663</u>
<b>Total deferred inflows of resources</b>	<b><u>71,663</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>71,663</u></b>
<b>Fund Balance:</b>					
Restricted	-	-	153,811	-	153,811
Unassigned	<u>702,237</u>	<u>9,743</u>	<u>-</u>	<u>-</u>	<u>711,980</u>
<b>Total Fund Balances</b>	<b><u>702,237</u></b>	<b><u>9,743</u></b>	<b><u>153,811</u></b>	<b><u>-</u></b>	<b><u>865,791</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 883,922</u></b>	<b><u>74,031</u></b>	<b><u>153,811</u></b>	<b><u>-</u></b>	<b><u>\$ 1,111,764</u></b>

The Accompanying Notes are an intergral part of these Financial Statements.

Statement D

CITY OF GRAMBLING, LOUISIANA  
 Reconciliation of the Governmental Funds Balance Sheet  
 of the Statement of Net Position  
 December 31, 2021

Total fund balances - governmental funds \$ 865,791

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

The cost of capital assets (land, buildings, furniture and equipment, and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	4,519,750	
Accumulated depreciation	<u>(2,322,235)</u>	
		2,197,515

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.

Balances at December 31, 2021 are:

Compensated absences	(74,681)	
Bonds payable	(128,828)	
Interest payable	<u>(3,374)</u>	
		<u>(206,883)</u>

Net Position of Governmental Activities		\$ <u><u>2,856,423</u></u>
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The Accompanying Notes are an intergral part of these Financial Statements.

## Statement E

CITY OF GRAMBLING, LOUISIANA  
 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended December 31, 2021

	General Fund	Health and Sanitation	Nonmajor Special Revenue Funds	Debt Service	Total Governmental Funds
<b>REVENUES:</b>					
General property taxes	\$ 678,298	-	-	-	\$ 678,298
Charges for services	-	177,839	-	-	177,839
Privilege licenses and permits	216,419	-	-	-	216,419
Intergovernmental revenues	243,320	-	-	-	243,320
Sales tax revenue	674,632	336,022	246,276	-	1,256,930
Fines and forfeitures	534,089	-	-	-	534,089
Interest income	8	19	30	-	57
Miscellaneous	170,612	3,431	2,000	-	176,043
<b>Total Revenues</b>	<u>2,517,378</u>	<u>517,311</u>	<u>248,306</u>	<u>-</u>	<u>3,282,995</u>
<b>EXPENDITURES:</b>					
General government	847,388	51,883	-	-	899,271
Public safety	1,334,689	-	-	-	1,334,689
Health and sanitation	-	262,481	-	-	262,481
Parks and recreations	3,660	-	-	-	3,660
Public works	28,609	-	-	-	28,609
Economic development	12,284	-	105,218	-	117,502
Debt service:					
Principal	-	8,962	11,706	-	20,668
Interest and service charges	-	3,789	214	-	4,003
Capital outlay:					
General government	83,430	-	-	-	83,430
Public safety	81,552	-	-	-	81,552
Public works	-	-	20,172	-	20,172
Health and sanitation	-	8,792	-	-	8,792
<b>TOTAL EXPENDITURES</b>	<u>2,391,612</u>	<u>335,907</u>	<u>137,310</u>	<u>-</u>	<u>2,864,829</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>125,766</u>	<u>181,404</u>	<u>110,996</u>	<u>-</u>	<u>418,166</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers in	190,437	-	-	-	190,437
Operating transfers out	(42,000)	(177,697)	(12,740)	-	(232,437)
<b>Total Other Financing Sources (Uses)</b>	<u>148,437</u>	<u>(177,697)</u>	<u>(12,740)</u>	<u>-</u>	<u>(42,000)</u>
<b>Net Change in Fund Balances</b>	274,203	3,707	98,256	-	376,166
<b>FUND BALANCE, BEGINNING</b>	<u>428,034</u>	<u>6,036</u>	<u>55,555</u>	<u>-</u>	<u>489,625</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 702,237</u>	<u>9,743</u>	<u>153,811</u>	<u>-</u>	<u>\$ 865,791</u>

The Accompanying Notes are an integral part of these Financial Statements.

Statement F

CITY OF GRAMBLING, 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 December 31, 2021

	<u>AMOUNTS</u>
Net change in fund balances - total governmental funds	\$ 376,166
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.</p>	
Capital outlays	188,539
Depreciation expense	<u>(213,673)</u>
	(25,134)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	20,668
Compensated absences are recognized in the Statement of Net Position as an increase to liabilities, but not in the Fund Financial Statements.	(5,405)
Other reconciling adjustment	<u>(3)</u>
Change in net position of governmental activities	<u>\$ 366,292</u>

The Accompanying Notes are an intergral part of these Financial Statements.

## Statement G-1

CITY OF GRAMBLING, LOUISIANA  
 General Fund  
 Budgetary Comparison Schedule  
 For the Year Ended December 31, 2021

	Budget Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>REVENUES:</b>				
Property taxes	\$ 693,000	633,000	678,298	\$ 45,298
Licenses and permits	225,000	117,000	216,419	99,419
Intergovernmental revenues	807,000	935,000	917,952	(17,048)
Fines and forfeits	356,000	489,000	534,089	45,089
Interest income	-	-	8	8
Miscellaneous income	43,000	73,000	170,612	97,612
<b>TOTAL REVENUES</b>	<b>2,124,000</b>	<b>2,247,000</b>	<b>2,517,378</b>	<b>270,378</b>
<b>EXPENDITURES:</b>				
General government	786,051	785,668	847,388	(61,720)
Public safety	1,228,732	1,228,135	1,334,689	(106,554)
Public works	27,109	27,096	28,609	(1,513)
Parks and recreation	3,468	3,466	3,660	(194)
Economic development	11,640	11,635	12,284	(649)
Capital outlays	-	257,000	164,982	92,018
<b>TOTAL EXPENDITURES</b>	<b>2,057,000</b>	<b>2,313,000</b>	<b>2,391,612</b>	<b>(78,612)</b>
Excess (Deficiency) of Revenues Over Expenditures	67,000	(66,000)	125,766	191,766
<b>Other Financing Sources (Uses):</b>				
Transfers in	170,000	185,000	190,437	5,437
Transfers out	-	-	(42,000)	(42,000)
Proceeds from insurance	1,000	17,000	-	(17,000)
<b>Total Other Financing Sources</b>	<b>171,000</b>	<b>202,000</b>	<b>148,437</b>	<b>(53,563)</b>
Net change in fund balance	238,000	136,000	274,203	138,203
Fund Balance at beginning of year	428,034	428,034	428,034	-
<b>Fund Balance at end of year</b>	<b>\$ 666,034</b>	<b>564,034</b>	<b>702,237</b>	<b>\$ 138,203</b>

The Accompanying Notes are an integral part of these Financial Statements.

CITY OF GRAMBLING, LOUISIANA  
Health and Sanitation  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2021

	Budget Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES:				
Taxes	\$ 350,000	290,000	336,022	\$ 46,022
Charges for services	173,000	178,000	177,839	(161)
Interest income	-	-	19	19
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>3,431</u>	<u>(1,569)</u>
TOTAL REVENUES	<u>528,000</u>	<u>473,000</u>	<u>517,311</u>	<u>44,311</u>
EXPENDITURES:				
Current:				
General government	51,529	53,615	51,883	1,732
Health and sanitation	252,171	261,766	262,481	(715)
Debt Service:				
Principal retirement	-	-	8,962	(8,962)
Interest and bank charges	-	-	3,789	(3,789)
Capital outlays	<u>-</u>	<u>-</u>	<u>8,792</u>	<u>(8,792)</u>
Total Expenditures	<u>303,700</u>	<u>315,381</u>	<u>335,907</u>	<u>(20,526)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>224,300</u>	<u>157,619</u>	<u>181,404</u>	<u>23,785</u>
Other Financing Sources:				
Operating transfers out	<u>(173,000)</u>	<u>(160,000)</u>	<u>(177,697)</u>	<u>(17,697)</u>
Total Other Financing Sources	<u>(173,000)</u>	<u>(160,000)</u>	<u>(177,697)</u>	<u>(17,697)</u>
Net change in fund balance	51,300	(2,381)	3,707	6,088
Fund Balance at beginning of year	6,036	6,036	6,036	-
Fund Balance at end of year	<u>\$ 57,336</u>	<u>3,655</u>	<u>9,743</u>	<u>\$ 6,088</u>

The Accompanying Notes are an intergral part of these Financial Statements.

## Statement H

CITY OF GRAMBLING, LOUISIANA  
Statement of Net Position  
Proprietary Fund  
December 31, 2021

Assets	
Current assets:	
Cash and cash equivalents	\$ 1,002,928
Accounts receivable, net	151,133
Prepaid expenses	1,484
Interfund receivable	<u>58,444</u>
Total Current Assets	<u>1,213,989</u>
Noncurrent assets:	
Restricted cash and cash equivalents	
Customer deposits	120,817
Bond sinking fund	65,998
Revenue bonds	<u>67,268</u>
Total restricted assets	<u>254,083</u>
Property, Plant and Equipment, at Cost	
Land	49,182
Buildings and improvements	242,106
Water/Sewer system	7,683,063
Automotive and equipment	1,230,443
Less: accumulated depreciation	<u>(6,735,671)</u>
Total capital assets (net of accumulated depreciation)	<u>2,469,123</u>
Construction in progress	<u>1,424,785</u>
Total noncurrent assets	<u>4,147,991</u>
Total Assets	<u>\$ 5,361,980</u>
Liabilities and Net Position	
Liabilities	
Current Liabilities:	
Accounts payable	\$ 132,421
Accrued and other liabilities	19,608
Interest payable	15,934
Interfund payables	54,332
Compensated absences	17,762
Revenue bonds payable	<u>127,000</u>
Total current liabilities	<u>367,057</u>
Noncurrent liabilities:	
Customer deposits payable from restricted assets	132,265
Compensated absences	3,009
State revolving loans payable	798,242
Revenue bonds payable	<u>1,303,925</u>
Total noncurrent liabilities payable	<u>2,237,441</u>
Total Liabilities	<u>2,604,498</u>
Deferred Inflows of Resources	
Deferred grant revenue	<u>952,370</u>
Total Deferred Inflows of Resources	<u>952,370</u>
Net Position	
Net investment in capital assets	337,684
Unrestricted	<u>1,467,428</u>
Total Net Position	<u>1,805,112</u>
Total Liabilities and Net Position	<u>\$ 5,361,980</u>

The Accompanying Notes are an integral part of these Financial Statements.

CITY OF GRAMBLING, LOUISIANA  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2021

Statement I

Operating Revenues:	
Water sales	\$ 324,785
Water connection charges	29,785
Sewer fees	<u>773,807</u>
Total Operating Revenues	<u>1,128,377</u>
Operating Expenses:	
Salaries and benefits	493,031
Materials and supplies	22,877
Operating costs	619,197
Professional services	41,405
Other services and charges	51,524
Depreciation	<u>188,576</u>
Total operating expenses	<u>1,416,610</u>
Operating income (loss)	<u>(288,233)</u>
Nonoperating revenues (expenses);	
Miscellaneous	24,405
Interest income	265
Ad valorem tax revenues	88,533
Intergovernmental revenues	502,820
Interest expense	<u>(42,671)</u>
Total nonoperating revenues (expenses)	<u>573,352</u>
Net Income Before Operating Transfers	285,119
Operating Transfers In	<u>42,000</u>
Change in net position	<u>327,119</u>
Net position - beginning	<u>1,477,993</u>
Total net position - ending	<u>\$ 1,805,112</u>

The Accompanying Notes are an intergral part of these Financial Statements.

CITY OF GRAMBLING, LOUISIANA  
Statement of Cash Flows  
All Proprietary Fund Types  
For the Year Ended December 31, 2021

Cash flows from operating activities:	
Receipts from customers and users	\$ 1,265,599
Intergovernmental revenues	1,543,723
Payments to suppliers	(1,270,870)
Payments to employees	<u>(527,411)</u>
Net cash provided by (used for) operating activities	<u>1,011,041</u>
Cash flows from Noncapital financing activities:	
Transfers from other funds	<u>42,000</u>
Net cash provided (used) by noncapital financing activities:	<u>42,000</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(1,069,362)
Principal paid retirement of debt	(106,000)
Proceeds from DEQ loan	611,323
Interest paid on capital debt	<u>(42,671)</u>
Net cash provided (used) by capital and related financing activities	<u>(606,710)</u>
Cash flows provided by (used for) investing activities:	
Interest received	265
Miscellaneous revenue	24,405
Other investing activities	<u>527,431</u>
Net cash provided by investing activities	<u>552,101</u>
Net increase (decrease) in cash and cash equivalents	998,432
Cash and cash equivalents at beginning of year	<u>250,579</u>
Cash and cash equivalents at end of year	<u>\$ 1,249,011</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating Income (Loss)	\$ <u>(288,233)</u>
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	188,576
(Increase) decrease	
Accounts receivable, net	137,222
Intergovernmental receivable	(29,382)
Due from other funds	79,617
Increase (decrease)	
Accounts payable	(107,606)
Accrued and other liabilities	7,213
Customer deposits	14,247
Due to other funds	54,332
Compensated absences	2,685
Deferred grant revenue	<u>952,370</u>
	<u>1,299,274</u>
Net cash provided by operating activities	<u>\$ 1,011,041</u>
Recap of cash and cash equivalents	
Cash and cash equivalents	\$ 1,002,928
Restricted cash and cash equivalents	<u>254,083</u>
	<u>\$ 1,257,011</u>

The Accompanying Notes are an intergral part of these Financial Statements.

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the City of Grambling, Louisiana have been prepared in conformity with accounting principles generally accepted in the United State of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY**

The City of Grambling was founded in 1959 under the provisions of the "Lawrason Act" (Louisiana Revised Statutes (R.S.)33:321-481) of the constitution of the State of Louisiana. The City is located in the parish of Lincoln and has a population of approximately 4,693. The City is governed by the mayor and a five-member council. The mayor and council members serve four-year terms which expire on December 31, 2018.

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City of Grambling for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's body, and
  - a. The ability of the municipality to impose its will on that organization and/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.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization were not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the City of Grambling (the primary government). The City of Grambling has no component units.

**B. FUND ACCOUNTING**

The City uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts that comprises it assets, liabilities, fund equity, revenues, and expenditures/expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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Funds are classified into two categories; governmental and proprietary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees.

The City's current operations require the use of governmental and proprietary fund types described as follows:

**Governmental Funds**

*General Fund* - is the general operating fund of the City. It accounts for all financial resources, except those required to be accounted for in other funds.

*Health and Sanitation Fund* - is used to account for the expenses in providing garbage collection services.

*Special Revenue Fund* - is used to account for grants, funds, and sales taxes revenues that are restricted or committed for specific purposes.

*Debt Service Fund* - is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

*Capital Project Fund* - is used to account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

**Proprietary Fund**

*Maintenance Enterprise Fund* - accounts for the operations of the City's sewer and water systems. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

*Government-Wide Financial Statements (GWFS)*, The Statement of Net Position, and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities, and deferred inflows/outflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

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*Program Revenues* - Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

*Allocation of Indirect Expenses* - The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities for governmental activities and is included in Utility Enterprise for business-type activities.

#### **FUND FINANCIAL STATEMENTS (FFS)**

*Governmental Funds* - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt which is recognized when due. Compensated absences and claims and judgments are reported in a governmental fund only if the claims are due and payable.

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 are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1994 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Franchise taxes and intergovernmental revenues are recorded when the City is entitled to the funds.

Interest income on time deposits is recorded when the interest has been earned and the amount is determinable.

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Substantially all other revenues are recorded when they are received by the City.

Based on the above criteria, ad valorem taxes, franchise taxes, and intergovernmental revenues have been treated as susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

*Other Financing Source (Use)* Transfers between funds that are not expected to be repaid are accounted for as other financing sources and are recognized when the underlying event occurs.

**Proprietary Funds** - Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The City is currently in compliance with GASB Statement No. 62.

**Operating revenues and expenses** - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. BUDGET PRACTICES**

A preliminary budget for the ensuing year is prepared in November. The proposed budget is reviewed by the Mayor and the City Council and made available to the public. During the December meeting of the City Council, the City holds a public hearing on the proposed budget in order to receive comments from citizens. Changes are made to the proposed budget based on the public hearing and the desires of the City Council as a whole. The budgets are then adopted during the December meeting, and notice is published in the official journal. During the year, the City Council receives monthly budget comparison statements which are used as a tool to control the operations of the City. Necessary budget amendments are presented to the Council when actual operations are differing materially from those anticipated in the original budget. The Council in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in the City's minutes published in the official journal. The budget is established and controlled by the mayor and council members at the fund level of expenditure. Unexpended appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the Mayor and the Council members. The City does not use encumbrance accounting in its accounting system.

**E. CASH AND CASH EQUIVALENTS**

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States of America. The City may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana. For purposes of the statement of cash flows, cash equivalents include all highly liquid investments with a maturity date of three months or less when purchased.

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**F. INVESTMENTS**

Investments are limited by R.S. 33:2955 and the City's investment policy. If the original maturities of investments exceed 90 days they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The City reports at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

The City participates in the Louisiana Asset Management Pool, Inc., (LAMP) which is an external investment pool that is not SEC - registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC.

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

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- ◆ *Credit risk:* LAMP is rated AAA by Standard & Poor's.
- ◆ *Custodial credit risk:* LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- ◆ *Concentration of credit risk:* Pooled investments are excluded from the 5 percent disclosure requirement.

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- ◆ *Interest rate risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments as of December 31, 2021.
- ◆ *Foreign currency risk:* Not applicable to 2a7-like pools.

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

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

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 228 St. Charles Ave., Suite 1123, New Orleans, LA 70130.

**G. CAPITAL ASSETS**

Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. The City has a capitalization threshold of \$1,000. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used for governmental fund-type based on the following estimated useful lives:

Buildings	40 years
Concrete block buildings	20 years
Equipment	8 years
Vehicles	5 years
Sewer system and lines	20 years
Water system and lines	20 years

The capital assets used in the proprietary fund-type operations are included on the statement of net position of the fund. Depreciation of all exhaustible fixed assets used by the proprietary fund type operations are charged as an expense against operations. Depreciation is computed using the straight-line method over estimated lives of 20 years for the plant, distribution system, and collection system, 5 to 8 years for furniture and equipment.

**H. LONG-TERM DEBT**

Long-term obligations, such as bonded debt and bank loans are recognized as liabilities of a governmental fund only when due.

**I. COMPENSATED ABSENCES**

Full time employees are allowed five days of annual leave in the first two years of employment. After the first two years, employees are eligible for ten annual leave days which can accumulate to 20 days. Employees earn ten days of sick leave each year which is not paid upon retirement or termination. The City of Grambling's recognition and measurement criteria for compensated absences follow:

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GASB State No.16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current-year expenditures in the governmental funds when leave is actually taken or when employees are paid for accrued leave upon resignation or termination.

**J. RESTRICTED ASSETS**

Certain grants received by the City contained restrictions on spending for specific purposes. In the Maintenance Enterprise Fund, cash and investments are restricted for debt service payments, maintenance on the sewer system, and customer deposits payable.

**K. RISK MANAGEMENT**

The City is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the City maintains commercial insurance policies covering its automobiles, professional liability, general liability, and surety bond coverage. There were no significant reductions in insurance coverage during the year ended December 31, 2021.

**L. RESTRICTED NET POSITION**

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

Externally imposed by creditors (such as debt covenants) grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation. All restricted net position reported on Statement A are the result of enabling legislation.

**M. FUND BALANCES OF FUND FINANCIAL STATEMENTS**

GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

*Non-spendable* - Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

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*Restricted* - Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

*Committed* - Fund balance that can only be used for specific purposes determined by the City's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of either a policy of the City or motions were passed at a City meeting committing the funds. The motions passed are usually the result of budget revisions.

*Assigned* - Fund balance that is constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Council.

*Unassigned* - Fund balance that is the residual classification for the general fund.

The City reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The City considers restricted amounts to have been spent when an expenditure has incurred for purposes for which both restricted and unrestricted fund balance is available.

**N. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivable/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

**O. USE OF ESTIMATES**

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

**P. ELIMINATION AND RECLASSIFICATIONS**

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

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**Q. SALES TAX**

Sales taxes are collected by the Lincoln Parish Sales and Use Tax Commission and by the Lincoln Parish Police Jury. The City's Sales tax is 2 1/4 percent. The revenue from the Lincoln Parish Sales and Use Commission is for general operating expenses of the City. The Police Jury Tax Revenue is dedicated to Health and Sanitation. There is an additional 3/4 percent Sales Tax in the Legend's Square Taxing District, which is a retail development in the City of Grambling. These funds are placed in a bank account at the Bank of Ruston in Ruston, Louisiana to be disbursed to the Developer of the Project as debt service for the cost of the project, minus a 10 percent administrative fee that is deposited in the City's General Fund account.

**R. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

The statement of financial position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. *Deferred outflows* of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. *Deferred inflows* of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At December 31, 2021, the City did not have any investments:

*Interest Rate Risk:* The City's policy does not address interest rate risk.

*Credit Risk:* The City's policy does not address credit rate risk.

*Custodial Credit-Deposits:* At year end, the City's carrying amount of deposits was \$1,637,691 (Statement C - cash and cash equivalents of \$513,946 Statement H - cash and cash equivalents of \$1,002,928 and restricted assets cash of \$254,083 on Statement H). In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of December 31, 2021, the City's bank balance was \$1,819,169, which was covered by federal depository insurance.

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**NOTE 3 - LEVIED TAXES**

The City levies property taxes on real and business property located within the City's boundaries. Property taxes are levied by the City on property values assessed by the Lincoln Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The Lincoln Parish Tax Assessor prepares tax statements for the City.

The following is a summary of authorized and levied property taxes:

<u>Category</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Public streets	5.30	5.30	2020
Water system	5.00	5.00	2020
Police department	4.48	4.48	2020
Public Improvement	6.33	6.33	2020
Fire department	16.97	16.97	2020
General Alimony Constitutional	9.13	9.13	Statutory
Total Levy	<u>47.21</u>	<u>47.21</u>	

**Property Tax Calendar**

Lien Date	12/31/2020
Levy Date	10/31/2020
Due Date	12/31/2020
Collection Dates	November 1 through June 30

**NOTE 4 - RECEIVABLES**

The following is a summary of receivables at December 31, 2021:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Health &amp; Sanitation Fund</u>	<u>NonMajor Governmental Funds</u>	<u>Proprietary Fund</u>	<u>Total</u>
<b>Taxes:</b>					
Property taxes	\$ 390,304	-	-	49,712	\$ 440,016
Sales and use	45,000	28,755	23,690	-	97,445
<b>Intergovernmental revenue:</b>					
Charges for services	-	19,951	-	155,365	175,316
Other	35,011	-	3,500	-	38,511
Gross Receivables	<u>470,315</u>	<u>48,706</u>	<u>27,190</u>	<u>205,077</u>	<u>751,288</u>
Less Allowance for uncollectibles	-	(8,840)	-	(53,944)	(62,784)
	<u>\$ 470,315</u>	<u>39,866</u>	<u>27,190</u>	<u>151,133</u>	<u>\$ 688,504</u>

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**NOTE 5 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)**

Individual balances due from/to other funds at December 31, 2021 are as follows:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Proprietary fund	\$ 58,444	General fund	\$ 58,444
General fund	54,332	Health and Sanitation	6,115
Health and sanitation	<u>6,115</u>	Proprietary fund	<u>54,332</u>
Total	<u>\$ 118,891</u>	Total	<u>\$ 118,891</u>

The Health and Sanitation Fund receivable from the General Fund is the result of a cash shortage in the General Fund. The other receivables are the result of bills being paid by one fund for another. The Health and Sanitation Fund receivable is not expected to be repaid within a year.

Transfers during the year ended December 31, 2021 were as follows:

	<u>Transfer From Other Funds</u>	<u>Transfer to Other Funds</u>
General Fund	\$ 190,437	\$ 42,000
Maintenance Fund	42,000	-
Health and Sanitation Fund	-	177,697
25% Economic Dev. Sales Tax Fund	-	12,740
Total	<u>\$ 232,437</u>	<u>\$ 232,437</u>

**NOTE 6 - ACCRUED AND OTHER LIABILITIES**

The accrued and other liabilities consist of the following at December 31, 2021:

<u>Payable Category</u>	<u>General Fund</u>	<u>Health and Sanitation</u>	<u>Proprietary Fund</u>	<u>Total</u>
Wages payable	\$ 55,838	2,935	12,047	\$ 70,820
Sales tax payable	-	-	7,560	7,560
Payroll deductions payable	14,832	-	-	14,832
Deposits	<u>2,330</u>	-	-	<u>2,330</u>
Total	<u>\$ 73,000</u>	<u>2,935</u>	<u>19,607</u>	<u>\$ 95,542</u>

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**NOTE 7 - CAPITAL ASSETS**

The following presents the changes in capital assets for the year ended December 31, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Nondepreciable assets:				
Land	\$ 244,402	-	-	\$ 244,402
Construction in progress	<u>15,680</u>	<u>-</u>	<u>-</u>	<u>15,680</u>
Total nondepreciable assets	<u>260,082</u>	<u>-</u>	<u>-</u>	<u>260,082</u>
Depreciable Assets:				
Building and improvements	1,877,835	-	-	1,877,835
Furniture and equipment	1,343,565	188,539	-	1,532,104
Infrastructure	<u>915,737</u>	<u>-</u>	<u>(66,007)</u>	<u>849,730</u>
Total depreciable assets	<u>4,137,137</u>	<u>188,539</u>	<u>(66,007)</u>	<u>4,259,669</u>
Less: accumulated depreciation				
Buildings and improvements	758,950	49,105	(11,509)	796,546
Furniture and equipment	1,094,331	90,810	(2,011)	1,183,130
Infrastructure	<u>268,801</u>	<u>73,758</u>	<u>-</u>	<u>342,559</u>
Total accumulated depreciation	<u>2,122,082</u>	<u>213,673</u>	<u>(13,520)</u>	<u>2,322,235</u>
Governmental activities capital assets, net	<u>\$ 2,275,137</u>	<u>(25,134)</u>	<u>(52,487)</u>	<u>\$ 2,197,516</u>

Depreciation expense for 2021 was charged to governmental activities as follows:

General	\$ 41,745
Public safety	54,695
Health and sanitation	4,114
Public works	55,820
Culture and recreation	<u>57,299</u>
Total	<u>\$ 213,673</u>

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A summary of plant and equipment changes in the maintenance enterprise fund for 2021 are as follows:

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
<b>Business-type activities:</b>					
Nondepreciable assets:					
Land	\$ 49,182	-	-	-	\$ 49,182
Construction in progress	<u>538,809</u>	<u>885,976</u>	-	-	<u>1,424,785</u>
Total Non-depreciable assets	<u>587,991</u>	<u>885,976</u>	-	-	<u>1,473,967</u>
Depreciable Assets:					
Building and improvements	242,106	-	-	-	242,106
Sewage plant	5,452,152	-	-	-	5,452,152
Water system	2,047,527	-	-	-	2,047,527
Water/Sewer equipment	1,194,997	183,386	-	-	1,378,383
Vehicles	<u>35,446</u>	-	-	-	<u>35,446</u>
Total depreciable assets:	<u>8,972,228</u>	<u>183,386</u>	-	-	<u>9,155,614</u>
Less: accumulated depreciation					
Buildings and improvements	237,175	1,097	-	-	238,272
Sewage plant	3,315,387	156,625	-	-	3,472,012
Water system	1,764,088	30,855	-	-	1,794,943
Water/Sewer equipment	1,194,997	-	-	-	1,194,997
Vehicles	<u>35,447</u>	-	-	-	<u>35,447</u>
Total accumulated depreciation	<u>6,547,094</u>	<u>188,577</u>	-	-	<u>6,735,671</u>
Net depreciable capital assets	<u>2,425,134</u>	<u>(5,191)</u>	-	-	<u>2,419,943</u>
Business-type activities capital assets, net	<u>\$ 3,013,125</u>	<u>880,785</u>	-	-	<u>\$ 3,893,910</u>

Depreciation expense for 2021 was charged to governmental activities as follows:

Sewer	\$ 156,625
Water	<u>31,952</u>
Total	<u>\$ 188,577</u>

**NOTE 8 - PENSION AND RETIREMENT PLAN**

The City established a Simple IRA plan to be effective October 4, 2002. All City employees are eligible to participate in the plan. The plan is a defined contribution plan administered by Raymond James and Associates. Under the plan, the City matches each employee's salary reduction for contributions to the plan up to 5% for that calendar year. The funds are immediately vested when paid into the plan. The plan is based on the IRS Code and must comply with all IRS Code requirements. The City of Grambling's contributions to the plan for the year ending December 31, 2021 were \$11,918 and employees contributed \$11,918.

CITY OF GRAMBLING, LOUISIANA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 9 - CHANGES IN LONG-TERM OBLIGATIONS**

***Governmental Activities***

The following is a summary of long-term obligation transactions for the year ended December 31, 2021

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	\$ 64,798	53,606	43,723	74,681	\$ 67,965
Limited Tax Revenue Bonds	137,788	-	8,962	128,826	9,209
Bank Note Payable	11,707	-	11,707	-	-
Total	<u>\$ 214,293</u>	<u>53,606</u>	<u>64,392</u>	<u>203,507</u>	<u>\$ 77,174</u>

Compensated absences are paid from governmental Funds (General Fund and Health and Sanitation Fund).

Bonded debt and note payable at December 31, 2021 is comprised of the following individual issues:

\$155,000 - Limited Tax Revenue Bonds, Series 2018, note dated February 16, 2018. Principal is due in fifteen (15) annual installments beginning February 19, 2019 and due each year through February 16, 2033, with an interest rate of 2.75%. The funds were used for the purchase of new garage trucks and extended warranties. Debt retirement payments are made from the Debt Service Fund.

	\$ <u>128,826</u>
Total	\$ <u>128,826</u>

As shown on Statement C, \$153,811 is available in the Debt Service Fund to service the bonded debt on the Limited Tax Revenue Bonds, Series 2018. The annual requirements to amortize all outstanding bonded debt at December 31, 2021 are as follows:

Limited Tax Revenue Bonds, Series 2018 Debt Service Fund:

Year	Principal	Interest	Total
2022	\$ 9,208	3,543	\$ 12,751
2023	9,461	3,290	12,751
2024	9,722	3,029	12,751
2025	9,989	2,762	12,751
2026	10,264	2,487	12,751
2027-2031	55,711	8,044	63,755
2032-2033	<u>24,471</u>	<u>1,014</u>	<u>25,485</u>
Total	<u>\$ 128,826</u>	<u>24,169</u>	<u>\$ 152,995</u>

CITY OF GRAMBLING, LOUISIANA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 9 - CHANGES IN LONG-TERM OBLIGATIONS (Continued)**

***Business Activities***

The following is a summary of long-term obligation transactions for the year ended December 31, 2021

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	\$ 20,467	11,174	10,870	20,771	\$ 17,762
Revenue Bonds Payable	1,000,000	-	60,000	940,000	60,000
DEQ Loans Payable	715,843	611,324	38,000	1,289,167	67,000
Total	<u>\$ 1,736,310</u>	<u>622,498</u>	<u>108,870</u>	<u>2,249,938</u>	<u>\$ 144,762</u>

Bonded debt payable at December 31, 2021 is comprised of the following individual issues:

\$1,345,000 - Utilities revenue refunding bonds, Series 2013 - the remaining principal is due in annual installments through 2033 with an interest rate of 4.25%. The funds were used for the water system. Debt retirement payments are made from the Maintenance Enterprise Fund. \$ 940,000

\$575,000 - Utilities revenue bonds, Series 2015 - dated November 1, 2015 between the City and the Louisiana Department of Environmental Quality. Principal is due in annual installments through 2036 with an interest rate of 0.45% that shall increase by one-half on one percent (0.5%) per annum. The interest is payable March 1 and September 1 each year. The funds are to be used for the purpose of financial assistance for the improvement of the wastewater treatment facility. The project is under construction and has not been completed. Debt retirement payments will be made from the Maintenance Enterprise Fund. 450,925

\$1,035,000 - Utilities revenue bonds, Series 2020 - dated April 2, 2020 between the City and the Louisiana Department of Environmental Quality. Principal is due in annual installments through 2035 with an interest rate of 0.45% that shall increase by one-half on one percent (0.5%) per annum. The interest is payable March 1 and September 1 each year. The funds are to be used for the purpose of financial assistance for the improvement of the wastewater treatment facility. The project is under construction and has not been completed. Debt retirement payments will be made from the Maintenance Enterprise Fund. 838,242

Total \$ 2,229,167

CITY OF GRAMBLING, LOUISIANA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 9 - CHANGES IN LONG-TERM OBLIGATIONS (Continued)**

Of the restricted cash and investments on Statement H, \$254,083 is restricted for debt service on the bonded debt. The annual requirement to amortize the Series 2013 outstanding bonded debt at December 31, 2021 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 60,000	38,675	\$ 98,675
2023	65,000	36,019	101,019
2024	65,000	33,256	98,256
2025	70,000	30,388	100,388
2026	75,000	27,306	102,306
2027-2031	415,000	85,956	500,956
2032-2033	<u>190,000</u>	<u>8,075</u>	<u>198,075</u>
Total	<u>\$ 940,000</u>	<u>259,675</u>	<u>\$ 1,199,675</u>

The annual requirement to amortize the Series 2015 outstanding bonded debt at December 31, 2021 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 27,000	4,061	\$ 31,061
2023	28,000	3,800	31,800
2024	28,000	3,534	31,534
2025	28,000	3,268	31,268
2026	29,000	3,092	32,092
2027-2031	147,000	12,004	159,004
2032-2036	<u>163,925</u>	<u>5,659</u>	<u>169,584</u>
	<u>\$ 450,925</u>	<u>35,418</u>	<u>\$ 486,343</u>

The annual requirement to amortize the Series 2020 outstanding bonded debt at December 31, 2021 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 40,000	7,076	\$ 47,076
2023	48,000	6,620	54,620
2024	49,000	6,159	55,159
2025	49,000	5,694	54,694
2026	50,000	5,223	55,223
2027-2031	254,000	18,926	272,926
2032-2036	267,000	6,329	273,329
2037-2040	<u>81,242</u>	<u>(2,643)</u>	<u>78,599</u>
	<u>\$ 838,242</u>	<u>53,384</u>	<u>\$ 891,626</u>

CITY OF GRAMBLING, LOUISIANA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

*Litigation and Claims*

At December 31, 2021, the City is a defendant in one outstanding lawsuits. It is the opinion of legal counsel that the ultimate resolution of these lawsuits would not materially affect the financial statements.

*Grant Disallowances*

The City participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. City management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

*Construction in Progress*

The City has under construction the following projects:

<u>Project Description:</u>	<u>Estimated Cost of Project</u>	<u>Balance 01/01/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2021</u>	<u>Estimated Cost to Complete</u>
<b>Governmental Activities:</b>						
Community center expansion	\$ 194,850	15,680	-	-	15,680	\$ 179,170
Total	<u>194,850</u>	<u>15,680</u>	<u>-</u>	<u>-</u>	<u>15,680</u>	<u>179,170</u>
<b>Business Activities:</b>						
Wastewater treatment plant Renovation	\$ 1,500,000	538,809	885,976	-	1,424,785	75,215
Total	<u>\$ 1,500,000</u>	<u>538,809</u>	<u>885,976</u>	<u>-</u>	<u>1,424,785</u>	<u>\$ 75,215</u>

At December 31, 2021, all the construction projects were still in progress.

**NOTE 11 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Excess of Appropriations Over (Under) Expenditures in Individual Fund - The following individual funds had actual expenditures over budgeted expenditures for the year ended December 31, 2021:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 2,313,000	2,391,612	\$ (78,612)

Excess of Appropriations Over (Under) Expenditures in Individual Fund - The following individual fund had actual expenditures over budgeted expenditures for the year ended December 31, 2021:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Health and Sanitation	\$ 315,381	335,907	\$ (20,526)

CITY OF GRAMBLING, LOUISIANA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 12 - SUBSEQUENT EVENTS**

Events that occur after the Statement of Financial Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. Management of City of Grambling, Louisiana evaluated the activity of the Organization through December 13, 2022, which is the date the financial statements are available to be issued.

**NOTE 13 - COVID-19 FINANCIAL STATEMENT IMPACTS**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the City's, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the City's Net position and changes in net assets/fund balance and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**NOTE 14 - ON-BEHALF SUPPLEMENTAL PAY**

Certain employees meeting statutory qualifications in the fire and police departments receive supplemental pay directly from the State of Louisiana. This supplemental pay in the amount of \$60,047 is recognized as intergovernmental revenue and public safety expenditures.

**NOTE 15 - 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, and automobile liability for which the City carries commercial insurance. The City has a \$5,000 deductible for its commercial property insurance coverage, \$500 for automobile insurance, \$500 for fidelity bond, and no deductible for the other policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 16 - CONTINGENT LIABILITIES**

**Litigation**

The City is a defendant in one legal actions seeking actual and punitive damages. The City and its legal counsel is vigorously defending all matters of litigation and believes there will be no material adverse financial effect. No amounts have been recorded in the financial statements as of December 31, 2021.

CITY OF GRAMBLING, LOUISIANA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 17 - PRIOR PERIOD ADJUSTMENTS**

The following summarizes the effect of the restatement of the beginning net position at the government-wide level as of December 31, 2021:

	Net Position		
	Governmental Activities	Proprietary Fund	Total
Beginning Balances, as previously reported	\$ 2,542,618	1,477,993	\$ 4,020,611
To reconcile the general ledger capital assets and accumulated depreciation to the detail subsidiary records	<u>(52,487)</u>	<u>-</u>	<u>(52,487)</u>
Beginning Balances, as Restated	<u>\$ 2,490,131</u>	<u>1,477,993</u>	<u>\$ 3,968,124</u>

**NOTE 18 - NEW ACCOUNTING PRONOUNCEMENTS**

***A. In fiscal year 2021, the City implemented the following GASB Statements:***

In June 2017, the GASB issued Statement No. 87, "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or, if applied to earlier periods, the beginning of the earliest period restated). However, lessors should not restate the assets underlying their existing sales-type or direct financing leases. Any residual assets for those leases become the carrying values of the underlying assets.

In June 2018, the GASB issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period". The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

In May 2020, the GASB issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

#### **NOTE 18 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)**

##### ***B. The City will adopt the following new accounting pronouncements in future years:***

In May 2020, the GASB issued Statement No. 96, "Subscription-Based Information Technology Arrangements". This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

In June 2020, the GASB issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

In October 2021, the GASB issued Statement No. 98, "The Annual Comprehensive Financial Report". This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

CITY OF GRAMBLING, LOUISIANA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 18 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)**

***B. The City will adopt the following new accounting pronouncements in future years:***

In April 2022, the GASB issued Statement No. 99, "Omnibus 2022". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
- Terminology used in Statement 53 to refer to resource flows statements.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

CITY OF GRAMBLING, LOUISIANA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 18 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)**

In June 2022, the GASB issued Statement No. 100, "Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued Statement No. 101, "Compensated Absences". The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

CITY OF GRAMBLING, LOUISIANA  
Nonmajor Governmental Funds  
December 31, 2021

***SPECIAL REVENUE FUNDS***

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

**25% Economic Development Sales Tax** - This fund is used to account for sales tax levied by the City in order to promote economic development within the City of Grambling.

**Legends Square Taxing District Fund** - This fund is used to account for the collection of sales tax, grants, and charges for services in order to fund the construction of and maintenance of operations of the retail stores located within the jurisdiction of the City of Grambling.

**Grambling Economic Development District No. 1 Fund** - This fund is used to account for the collection of a one-half of one percent (0.50%) of sales tax levied within the District to fund economic development projects within such District.

SCHEDULE A

CITY OF GRAMBLING, LOUISIANA  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2021

	25% Economic Development Sales Tax	Legends Square Taxing District	Economic Development District 1 Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 116,479	9,141	1,001	\$ 126,621
Intergovernmental receivable	<u>19,263</u>	<u>6,606</u>	<u>1,321</u>	<u>27,190</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 135,742</u></b>	<b><u>15,747</u></b>	<b><u>2,322</u></b>	<b><u>\$ 153,811</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Total Liabilities	\$ -	-	-	\$ -
Fund Balance:				
Restricted	<u>135,742</u>	<u>15,747</u>	<u>2,322</u>	<u>153,811</u>
<b>Total Fund Balances</b>	<b><u>135,742</u></b>	<b><u>15,747</u></b>	<b><u>2,322</u></b>	<b><u>153,811</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 135,742</u></b>	<b><u>15,747</u></b>	<b><u>2,322</u></b>	<b><u>\$ 153,811</u></b>

The Accompanying Notes are an integral part of these Financial Statements.

SCHEDULE B

CITY OF GRAMBLING, LOUISIANA  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2021

	<u>25% Economic Development Sales Tax</u>	<u>Legends Square Taxing District</u>	<u>Economic Development District 1 Fund</u>	<u>Total</u>
<b>REVENUES:</b>				
Sales tax revenue	\$ 159,539	72,280	14,457	\$ 246,276
Interest income	30	-	-	30
Miscellaneous	-	-	2,000	2,000
<b>Total Revenues</b>	<u>159,569</u>	<u>72,280</u>	<u>16,457</u>	<u>248,306</u>
<b>EXPENDITURES:</b>				
Economic development	5,602	76,481	23,135	105,218
Debt service:				
Principal	11,706	-	-	11,706
Interest and service charges	214	-	-	214
Capital outlay:				
Public works	<u>20,172</u>	<u>-</u>	<u>-</u>	<u>20,172</u>
<b>TOTAL EXPENDITURES</b>	<u>37,694</u>	<u>76,481</u>	<u>23,135</u>	<u>137,310</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>121,875</u>	<u>(4,201)</u>	<u>(6,678)</u>	<u>110,996</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers out	<u>(12,740)</u>	<u>-</u>	<u>-</u>	<u>(12,740)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(12,740)</u>	<u>-</u>	<u>-</u>	<u>(12,740)</u>
Net Change in Fund Balances	109,135	(4,201)	(6,678)	98,256
<b>FUND BALANCE, BEGINNING</b>	<u>26,607</u>	<u>19,948</u>	<u>9,000</u>	<u>55,555</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 135,742</u>	<u>15,747</u>	<u>2,322</u>	<u>\$ 153,811</u>

The Accompanying Notes are an intergral part of these Financial Statements.

**SUPPLEMENTARY INFORMATION**  
**REQUIRED BY THE**  
**U. S. DEPARTMENT OF AGRICULTURE**

CITY OF GRAMBLING, LOUISIANA  
Proprietary Fund Type - Maintenance Enterprise Fund  
Comparative Statement of Net Position  
December 31, 2021 and 2020

Schedule 1

	<u>2021 Maintenance Fund</u>	<u>2020 Maintenance Fund</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,002,928	\$ 2,095
Accounts receivable, net of allowance of \$24,273 and \$27,708	151,133	258,973
Prepaid expenses	1,484	1,485
Due from other funds	<u>58,444</u>	<u>138,060</u>
Total Current Assets	<u>1,213,989</u>	<u>400,613</u>
Noncurrent assets:		
Restricted cash and cash equivalents		
Customer deposits	120,817	116,280
Bond sinking fund	65,998	-
Investments	<u>67,268</u>	<u>68,281</u>
Total restricted assets	<u>254,083</u>	<u>184,561</u>
Property, Plant and Equipment, at Cost		
Land	49,182	49,182
Buildings	242,106	242,106
Infrastructure	7,683,063	7,499,678
Automotive and equipment	1,230,443	1,230,443
Less: accumulated depreciation	<u>(6,735,671)</u>	<u>(6,547,094)</u>
Total capital assets (net of accumulated depreciation)	2,469,123	2,474,315
Construction in progress	<u>1,424,785</u>	<u>538,809</u>
Total noncurrent assets	<u>4,147,991</u>	<u>3,197,685</u>
<b>Total Assets</b>	<b><u>\$ 5,361,980</u></b>	<b><u>\$ 3,598,298</u></b>
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable	\$ 132,421	\$ 240,027
Accrued and other liabilities	19,608	12,395
Interest payable	15,934	15,934
Interfund payables	54,332	-
Compensated absences	17,762	17,265
Revenue bonds payable	<u>127,000</u>	<u>98,000</u>
Total current liabilities	<u>367,057</u>	<u>383,621</u>
Noncurrent liabilities:		
Customer deposits payable from restricted assets	132,265	118,018
Compensated absences	3,009	823
State revolving loans payable	798,242	226,918
Revenue bonds payable	<u>1,303,925</u>	<u>1,390,925</u>
Total noncurrent liabilities payable	<u>2,237,441</u>	<u>1,736,684</u>
<b>Total Liabilities</b>	<b><u>2,604,498</u></b>	<b><u>2,120,305</u></b>
Deferred Inflows of Resources		
Deferred grant revenue	<u>952,370</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>952,370</u>	<u>-</u>
<b>Net Position</b>		
Net investment in capital assets	3,893,908	3,013,124
Restricted for debt service	65,998	68,281
Unrestricted	<u>(2,154,794)</u>	<u>(1,603,412)</u>
Total Net Position	<u>1,805,112</u>	<u>1,477,993</u>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 5,361,980</u></b>	<b><u>\$ 3,598,298</u></b>

## Schedule 2

CITY OF GRAMBLING, LOUISIANA  
 Proprietary Fund Type - Maintenance Enterprise Fund  
 Proposed Budget - 2021 and 2020  
 For the Years Ending December 31, 2021 and 2021

	2021 Maintenance Fund	2020 Maintenance Fund
	<u>                    </u>	<u>                    </u>
Operating Revenues:		
Water sales	\$ 325,000	\$ 412,000
Water connection charges	15,000	7,000
Sewer fees	748,000	840,000
Other revenues	29,000	45,000
Total Operating Revenues	<u>1,117,000</u>	<u>1,304,000</u>
Operating Expenses:		
Water department	1,018,080	654,000
Sewer department	1,102,920	708,500
Total operating expenses	<u>2,121,000</u>	<u>1,362,500</u>
Operating income (loss)	<u>(1,004,000)</u>	<u>(58,500)</u>
Nonoperating revenues (expenses);		
Miscellaneous	1,000	1,000
Ad valorem tax revenues	72,000	59,000
Intergovernmental revenues	952,370	-
DEQ loan proceeds	46,000	-
Total nonoperating revenues (expenses)	<u>1,071,370</u>	<u>60,000</u>
Net Income Before Operating Transfers	<u>67,370</u>	<u>1,500</u>
Change in net position	<u>67,370</u>	<u>1,500</u>
Net position - beginning	<u>1,805,112</u>	<u>1,479,493</u>
Net position - ending	<u>\$ 1,872,482</u>	<u>\$ 1,480,993</u>

CITY OF GRAMBLING, LOUISIANA  
 Schedule of Compensation Paid Council Members  
 As of December 31, 2021

The schedule of per diem paid council members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Section of the Louisiana Legislature. Compensation of council members is included in legislative expenditures of the General Fund.

<u>Council Member</u>	<u>Term Expiration</u>	<u>Compensation Paid</u>
Gariarta D. Dupre	12/31/2022	\$ 9,800
Yanise N. Days	12/31/2022	9,800
Cathy L. Giles	12/31/2022	9,800
Phillis Miller	12/31/2022	9,800
Toby Bryan	12/31/2022	18,200
Total		<u>\$ 57,400</u>

Schedule 4

CITY OF GRAMBLING, LOUISIANA  
 Schedule of Compensation, Benefits, Reimbursements, and Other Payments to Chief Executive Officer  
 As of December 31, 2021

In accordance with Act 706 passed during the 2014 regular Louisiana Legislative Session, the compensation, benefits, reimbursements, and other payments to the Mayor are presented as follows:

<u>Category</u>	<u>Amount</u>
Salary	\$ 72,684
Benefits:	
Health insurance	\$ 7,825
Social security	4,507
Medicare	1,054
Simple IRA	<u>3,068</u>
Total Benefits	16,454
Cell phone	2,280
Travel:	
Airfare, lodging, meals & mileage	6,097
Total Travel	<u>6,097</u>
Total Compensation, Benefits, Travel, and Other Expenses	<u>\$ 97,515</u>

CITY OF GRAMBLING, LOUISIANA  
 Schedule of Insurance Coverage  
 As of December 31, 2021

Type of Coverage	Name of Insurer	Policy Number	Amount of Coverage	Deductible	Expiration Date
Commercial property	Underwriters of Admiral Ins. Co.	PR00000995502	Building: \$1,748,900	\$ 2,500	7/30/2022
Personal property	Underwriters of Admiral Ins. Co.	PR00000995502	Personal Property: \$440,000	2,500	7/30/2022
Automobile	Lloyd's of London and Institute	NA146682	Based on Individual Vehicle	1,000	3/13/2022
Fidelity Bond	Traveler's Casualty & Securtely Co.	104891788	Employee Theft: \$25,000 ERISA: \$25,000	500 NONE	2/11/2022

**Agents:** The Lincoln Agency, LLC  
 504 South Service Road East  
 Ruston, LA 71270

Community Financial Insurance Center, LLC  
 P. O. Drawer 2010  
 Monroe, LA 712-2010

Schedule 6

CITY OF GRAMBLING, LOUISIANA  
Schedule of Breakdown of Utility Customers  
For Year Ended December 31, 2021

<u>Category</u>	<u>Average Number of Customers</u>
Commercial	88
Residential	1,006
Total Customers	<u>1,094</u>

CITY OF GRAMBLING, LOUISIANA  
 Schedule of Water and Sewer Rates  
 As of and For Year Ended December 31, 2021

<i>Gallon</i>	<i>Water rates Residential</i>	<i>Sewer rates Residential</i>
1,000	\$24.85	\$27.85
2,000	24.85	27.85
3,000	27.48	30.48
4,000	30.11	33.11
5,000	32.74	35.74
6,000	35.37	38.37
7,000	38.00	41.00
8,000	40.63	43.63
9,000	43.26	46.26
10,000	45.89	48.89
11,000	48.52	51.52
12,000	51.15	54.15
13,000	53.78	56.78
14,000	56.41	59.41
15,000	59.04	62.04
16,000	61.67	64.67
17,000	64.30	67.30
18,000	66.93	69.93
19,000	69.56	72.56
20,000	72.19	75.19
21,000	74.82	77.82
22,000	77.45	80.45
23,000	80.08	83.08
24,000	82.71	85.71
25,000	85.34	88.34

<i>Gallon</i>	<i>Water rates Commercial</i>	<i>Sewer rates Commercial</i>
1,000	\$34.31	\$37.31
2,000	34.31	37.31
3,000	36.94	39.94
4,000	39.57	42.57
5,000	42.20	45.20
6,000	44.83	47.83
7,000	47.46	50.46
8,000	50.09	53.09
9,000	52.72	55.72
10,000	55.35	58.35
11,000	57.98	60.98
12,000	60.61	63.61
13,000	63.24	66.24
14,000	65.87	68.87
15,000	68.50	71.50
16,000	71.13	74.13
17,000	73.76	76.76
18,000	76.39	79.39
19,000	79.02	82.02
20,000	81.65	84.65
21,000	84.28	87.28
22,000	86.91	89.91
23,000	89.54	92.54
24,000	92.17	95.17
25,000	94.80	97.80

Schedule 8

CITY OF GRAMBLING, LOUISIANA  
 Schedule of Justice System Funding - Collecting/Disbursing  
 As Required by Act 87 of the 2020 Regular Session  
 Cash Basis Presentation  
 For Year Ended December 31, 2021

	First Six Month Period Ended 6/30/2021	Second Six Month Period Ended 12/31/2021
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
<b>Add: Cash Collections:</b>		
Criminal court costs/fees	202,120	227,444
Subtotal Collections	<u>202,120</u>	<u>227,444</u>
<b>Less: Disbursements to Governments and Nonprofits:</b>		
LA Supreme court Judicial Fund - criminal fines other	535	503
Treasurer, State of LA CMIS - criminal fines other	3,171	2,622
North Louisiana Criminalistics Lab - criminal fines other	30,654	29,725
Ruston-Lincoln Crime Stoppers - criminal fines other	2,150	2,004
Louisiana Traumatic Head and Spinal Cord Injury	-	4,335
Louisiana Commission on Law Enforcement	-	7,062
<b>Less: Amounts Retained by Collecting Agency</b>		
Amount retained by collecting Agency - criminal fines other	165,610	181,193
Subtotal Total Disbursements and Retainage	<u>202,120</u>	<u>227,444</u>
<b>Total: Ending Balance of Amount Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Other Information:</b>		
Ending Balance of Total Amounts Assessed but not yet Collected (i. e. receivable balance)		
Credit Card	\$ 2,265	\$ 2,016
Collections of outstanding fines	19,865	17,024
Total Other Information	<u>\$ 22,130</u>	<u>\$ 19,040</u>



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*

Honorable Edward Jones, Mayor  
and Members of the City Council  
City of Grambling  
Grambling, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Grambling, Louisiana, (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 13, 2022.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we 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, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are 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. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Brown, Eggen & Co.  
Ridgeland, Mississippi  
December 13, 2022

CITY OF GRAMBLING, LOUISIANA  
Schedule of Findings and Responses  
For Year Ended December 31, 2021

**Finding: 2021-001**

**Financial Reporting**

**Late Submission of the Annual Audit**

**Significant Deficiency**

**Condition:** The audit report for the year ended December 31, 2021 was not submitted within the six (6) months after the year end date as required by the Louisiana Legislative Auditors.

**Cause:** The City has contracted with an outside accounting firm to oversee its accounting records. However, the outside accounting firm was late in reconciling the accounting records and recording the year end adjustments necessary to ensure that the accounting records complete and accurate.

**Effect:** The City is not in compliance with the Louisiana State Legislative Auditor's financial reporting requirements.

**Criteria and or Specific Requirement:** Louisiana State Legislative Auditor's audit financial reporting requirement (R.S. 24:513 and 24:514).

**Recommendation:** The City should adopt internal administrative accounting control procedures to ensure that all future audits are completed in a timely manner that allows for the timely submission of its annual audit report to the Louisiana Legislative Auditors.

**City Response:** The City will adopt internal administrative accounting control procedures to ensure that all future audits are complete in a timely manner which will allow for the timely submission of its annual audit report to the Louisiana Legislative Auditors.

CITY OF GRAMBLING, LOUISIANA  
Status of Prior Year Audit Findings  
For Year Ended December 31, 2021

The City of Grambling, Louisiana did not have any prior year audit findings in their December 31, 2020 audited financial statements dated June 23, 2021.