

CITY OF LAKE CHARLES, LOUISIANA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the
Fiscal Year Ended
September 30, 2021



Prepared by
Department of Finance

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CITY OF LAKE CHARLES
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2021
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CITY OF LAKE CHARLES

NICHOLAS E. HUNTER
MAYOR

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Lake Charles, LA 70602-3706
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DEPARTMENT OF FINANCE
EMILY K. McDANIEL, DIRECTOR

March 28, 2022

Honorable Nicholas Hunter, Mayor
Members of the City Council

Dear Mayor and City Council Members:

In accordance with requirements of the City's Charter and applicable state law, I am pleased to submit the Annual Comprehensive Financial Report of the City of Lake Charles for the fiscal year ended September 30, 2021. This report has been prepared by the City's Finance Department in conformity with generally accepted accounting principles (GAAP), and the basic financial statements contained herein have been independently audited in accordance with generally accepted auditing standards. However, the completeness and reliability of all information presented in this report remains the responsibility of the City's management. McElroy, Quirk, and Burch (APC), a firm of licensed certified public accountants, have audited the City of Lake Charles's financial statements. The purpose of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on these financial statements. The independent auditor's report is presented as the first component of the financial section of this report.

Governmental Accounting Standards Board (GASB) requires certain government-wide statements as well as the fund financial statements. The purposes and contents of these financial statements are further explained in Management's Discussion and Analysis (MD&A) which follows the independent auditor's report and should be read in conjunction with this letter of transmittal for a more complete understanding of the City's financial condition and activity.

City Profile

The City of Lake Charles was incorporated in 1867 and is the principal city and trade center of Southwest Louisiana, which is comprised of a five-parish area with a population of 304,796. According to the U. S. Census Bureau, Lake Charles's population was 84,872 in 2020. The US Census City/Town Population estimates the city population decreased to 79,067 in 2021. The corporate limits of the City include 50.26 square miles. Lake Charles, which is in Calcasieu Parish, is located on Interstate 10, approximately two hours east of Houston, Texas and west of Baton Rouge, Louisiana and 46 miles north of the Gulf of Mexico.

The City operates under a mayor-council form of government pursuant to a 1961 home rule charter, and provides a full range of traditional municipal services such as public safety, construction and maintenance of municipal infrastructure including water and wastewater, parks and recreation, planning and zoning, trash collection and solid waste disposal and public transportation. The City also has specialized facilities such as a municipal golf course, a civic center coliseum and theater complex, and two art centers. All of these activities are integral parts of the city government and are included in this report. Certain components of the judicial function are legally separate entities which are discretely presented in these statements as "component units."

The City adopts an annual operating budget and a project-based capital budget in accordance with procedures established by its charter and by state statute. Although the budget document is comprehensive, covering all funds under the City's control, legal control of expenditures is exercised primarily at the department level for the General Fund and for each Special Revenue Fund pursuant to charter and statutory requirements. Budget-to-actual comparisons for major funds of these types are included in this report.

United for Progress and Prosperity

TRANSMITTAL LETTER

The City also maintains an internal control framework designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, as well as the reliability of financial records for preparing financial statements. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. An evaluation of internal controls and legal compliance is required by federal law in connection with the independent audit, and the auditor's reports thereon are included in a separately issued "uniform guidance" report.

Economic Environment

Little did we know one year ago while preparing the City's annual financial report for fiscal year 2020 that the fourth federally declared disaster since August 2020 was in the City's forecast. On May 17, 2021, heavy rains flooded the city of Lake Charles – central and southern parts receiving 16-18 inches within a six-hour period. The National Weather Service calls the May 17 Historic Flood a "1,000 Year Rain Event". Reacting to this enormous amount of rainfall required swift mobilization of the city's Fire, Police and Public Works departments. Together, they worked tirelessly to rescue motorists and those trapped in homes, schools and businesses from the rising water. Securing private and public property was a challenge as the rapidly rising water further crippled already compromised drainage systems, flooding homes and businesses – some of which were just completing repairs caused by the "sister" hurricanes, Laura and Delta, in 2020. With four federally declared natural disasters within nine months, the City of Lake Charles has, unfortunately, set a record, all while under the blanket of the COVID-19 emergency declaration.

As the second anniversary of the coronavirus pandemic falls upon us, the world is collectively breathing a sigh of relief as the number of cases seem to be on the decline. However, while the City joins in recognizing this milestone, it continues to recover and rebuild from the destruction of the four federally declared disasters: Hurricanes Laura and Delta, Winter Storm Uri and the May 17, 2021 Historic Flood.

It is estimated that damages from Hurricanes Laura and Delta will exceed \$19 billion in southwestern Louisiana and southeastern Texas areas near the Gulf of Mexico. Over 4.3 million cubic yards of debris was picked up throughout the City of Lake Charles alone, with costs topping \$86 million for this effort. Expenditures, which include the long-term recovery costs to repair and rebuild City buildings and infrastructure, for all four weather events, collectively, are estimated to be over \$220M, adding a staggering amount to the City's normal financial activity. The City is dedicated to continue working with insurance, state and federal emergency agencies to ensure the maximum amount of reimbursement to offset the disaster-related expenditures. The detailed financial impact of these disasters for fiscal year 2021 is reflected within this report.

Prior to the worldwide pandemic and natural disasters, Southwest Louisiana was leading the nation for markets our size in gross domestic product and industrial announcements. It has been questioned whether our region can regain its momentum in economic development. The answer to that question is a resounding YES! Lake Charles is a resilient community, with an economic base dominated by petrochemical manufacturing and refining since the 1940's. However, through the years, Southwest Louisiana has diversified its economy with aerospace, aviation, shipping, education, gaming, tourism, and more recently, the liquefied natural gas industry, all of which provide much stability for our area. Highlights from just some of the projects that will lead us to another surge of economic development are described below.

Aviation: Chennault International Airport, situated on the eastern border of the City of Lake Charles, broke ground last June on a \$4 million air cargo pass-through facility, the newest component in its emergence as an aerospace center. Chennault operates largely as an aircraft maintenance repair and overhaul facility whose main tenants include Northrop Grumman, Million Air, Landlocked Aviation Services and Citadel Completions. Chennault's 10,701-foot runway is among the longest along the gulf coast. Upon completion of the air cargo facility later this year, it is expected to produce up to 50 direct jobs.

Petrochemical Industry: According to the Lake Area Industry Alliance, an organization representing over 20 local industries, over 3,000 additional construction jobs will begin in October as existing industries conduct heavy maintenance delayed by the coronavirus pandemic.

TRANSMITTAL LETTER

Tourism: Port Wonder, a \$20 million dollar showplace, located in one of the City's Economic Development Districts as discussed below, broke ground earlier this year. With over 90,000 vehicles passing daily in front on Interstate 10, this development should entice travelers to stop and increase our area's tourism. Additionally, after a two-year hiatus, Mardi Gras returned in February 2022. Southwest Louisiana boasts the second largest Mardi Gras celebration in the state, with festivities including parades, galas, chicken runs and more.

Liquefied Natural Gas Industry: At the 19th World LNG & Gas Service Summit & Exhibition held in November 2021 at the Golden Nugget Casino & Resort in Lake Charles, Gurpreet Hayre, Head of Content for the event, cited Southwest Louisiana as the epicenter of U.S. LNG export. Sabine Pass Liquefaction, LLC, operated by Cheniere Entergy in Johnson Bayou is the largest producer of LNG in the United States. This facility, combined with Sempra's Cameron LGN facility in Hackberry makes Cameron Parish the third among nations in the world for LNG exports.

New LNG projects include a \$4.5 million investment for *Venture Global* Calcasieu Pass LNG, located in Cameron Parish, which is currently under construction and plans to begin operations by the end of 2022. The company recently announced it will invest over \$10 billion dollars to develop another LNG facility adjacent to the one under construction. The facility named CP2 will result in at least 200 direct new jobs, 867 indirect jobs and at the peak of construction, an average of 2,300 construction jobs will be created. *Driftwood LNG* in Calcasieu Parish is considering the final investment decision of a \$15 billion dollar investment and is estimated to create 6,500 construction jobs and 400 permanent jobs. Construction is set to begin in April 2022.

It is this diversity, along with continued sound financial decisions, that will help sustain us through these challenging times. The City will continue to recover; rebuilding smarter, stronger, and more economically stable than ever before.

The City created the Lakefront Development, I-10 Corridor, and Enterprise Boulevard Economic Development Districts in 2018. Through an agreement reached in 2021 with the Louisiana Department of Revenue, the City will be able to use 45 percent of the state's sales tax increment within these districts. The City has pledged 2 percent of its 2.5 percent sales tax to be reserved for public infrastructure projects within the districts. Only the incremental increase in sales tax revenue within the districts will be reserved for future projects. Two other economic development, Morganfield Development and Nelson Market EDD's have generated growth in east and south Lake Charles. Each of these districts may levy new sales taxes that can be used to fund a portion of the cost of economic development projects within the defined districts.

There are several completed and proposed projects in these districts. Very visible development has taken place on the lakefront with the sheet piles in place, the lakebed reclaimed, and the groundwork laid for the construction of the boardwalk along the water's edge between the parking garage and gator pond. Although delayed, plans are once again moving forward for the \$20 million Port Wonder lakefront development project, which will house the Children's Museum of Lake Charles and the Louisiana Department of Wildlife and Fisheries' Science Center and Educational Complex, funded by governmental and private pledges.

Crying Eagle Lakefront Restaurant and Micro Brewery remains committed to their project, which will consist of a family-friendly, full-service restaurant, small brew house and scenic seating. Additionally, Lake Area Adventures committed to developing a fixed structure featuring boat and kayak rentals, water tours, pier fishing, food, and activities for the whole family. The project will include a stage for live entertainment. Both companies' projects will expand their existing footprints in our community. The parking garage is under contract with a local construction company to repair storm damages and to completely renovate the structure. All of these projects will continue to stimulate economic growth along the I-10 corridor and the Lakefront.

The entire Southwest Louisiana area continues to rebuild from the aftermath of the hurricanes. Businesses, governments and residents will spend years recovering from the devastation of Hurricane Laura and Hurricane Delta. Just as we saw after Hurricane Rita in 2005, sales tax revenues for 2021 were 31% higher than FY2020. We recognize that this may be temporary, due to the purchase of materials for reconstruction of home and facilities and the replacement of damaged material and contents, such as appliances and furniture, even automobiles. And although this is positive for our bottom line, it is a financial burden to those paying the costs. The City will use these additional revenues to help offset some of our unreimbursed disaster expenses.

TRANSMITTAL LETTER

Mayor Hunter has worked tirelessly with FEMA and HUD to address housing problems that continue to plague the area months after the storms. Many residents are still displaced and living outside of the area. Restoration of permanent housing for residents seems to be taking longer than necessary. In November 2021, HUD awarded \$5.3 million of CDBG-DR money to the City to assist over 14,000 homeowners still having unmet needs in their efforts to recover.

Other economic indicators such as unemployment, housing market, gaming and sales tax revenue trends can be found in the Management Discussion and Analysis, which follow in the next section of this report.

Current and Future Financial Plans

The City's primary operating account, the General Fund, had an ending fund balance of \$37.8 million on September 30, 2021. This represents an increase from \$30.3 million at the end of fiscal year 2020 due to the continued increase in sales tax revenues and a conservative approach to expenditures in anticipation of disaster cost-share commitments.

The General Fund budget, as currently amended for fiscal year 2022, projects that operating revenues of \$79.1 million will be used to cover departmental expenditures of \$77 million. Operational transfers of \$7.6 million, including \$4 million for disaster recovery and transfers of \$2.8 million for capital projects, resulting in an \$8.7 million use of fund balance reserves during fiscal year 2022. As amended, the fund balance at the end of fiscal year 2022 would total \$29.4 million. If sales tax revenue continue at the current rate of collections, the fund balance at year-end will meet the current projections.

The General Fund ending fund balance of \$37.8 million is 46 percent of 2021 departmental expenditures. It is the City's policy to maintain a 30 percent minimum fund balance target for the General Fund.

The Disaster Recovery Fund qualified as a major fund in 2020 and 2021. Expenditures for the Coronavirus, Hurricanes Laura and Delta, Winter Storm Uri and the May Flood totaled \$89 million in fiscal year 2021, accounting for 45 percent of all Governmental Fund expenditures. It is estimated that expenditures will be \$30 million in this fund during fiscal year 2022, once again adding a staggering number to the City's normal financial activity. Insurance proceeds and FEMA funding will cover much of these expenses, but the City will be responsible for no less than 10 percent of most of these costs. Revenues recorded in fiscal year 2021 include insurance proceeds and funds that have been obligated by FEMA, primarily for reimbursements for debris removal and payroll costs incurred during and after the storm.

The City and Parish have been notified of various funding awards, such as Community Development-CV funds and FEMA Hazardous Mitigation Grant Program. The city received the first tranche of American Rescue Plan Act allocations in May 2021. The remaining allocation will be received in early 2022 for a total of \$16.9 million, all of which will be used for water and wastewater infrastructure improvements. The City will also explore mitigation measures as we rebuild our facilities in order to maximize various FEMA funding initiatives. The City intends to strategically plan all recovery efforts to build a better, stronger, more efficient government.

Capital Improvements:

The adopted capital budget for fiscal year 2022 is \$19.7 million for streets and drainage, \$25.8 million for utility improvements, \$6.9 million for community and general government projects and \$2.3 million for debt service requirements. A new category of capital improvements is added to the 2022 budget, with \$14.7 million budgeted for Hurricane Laura recovery capital projects.

Projects recently completed include projects totaling \$7.7 million for various road, drainage, bridge and sidewalk projects, \$3.5 million in community service, recreation and general government projects, and \$7.2 million in water and wastewater system improvement projects.

Work continues on the Prien Lake Road project from Cove Lane to Ihles Road, with funding from both the City and Parish. The Southeast Water Plant and Distribution Line project will be advertising for bids later this year. The Southern Wastewater Loop is another major project that is under design. Both water and wastewater projects will be partially funded with State Revolving Loan Fund programs.

TRANSMITTAL LETTER

Various road projects continue, including bridge repairs, asphalt overlay, street striping, intersection improvements, sidewalks and streetscaping. Wastewater projects include annual rehabilitation of basins, distribution lines, lift stations, plant repairs and improvements, as well as extension of services. Water projects include water line extensions, water storage tank construction and rehab, filter media replacement, chemical feed system improvements, water well replacement, and backup power improvements.

The City recently issued \$10 million in bonds for drainage improvements. Major drainage projects are currently being identified as part of the 2021 bond issue and work is currently under way. The May historical flood event reminded us that natural drainage does not recognize city or parish limits.

Phase 1 of the Lakefront Boardwalk project is now complete, with phase 2 in the planning stage. Port Wonder's plans were paused due to COVID and storms, but they have finally broken ground on construction. Phase I of the parking garage repairs, is now complete and phase II is now under contract. The new municipal golf course opened October 1st. The maintenance building and cart barns have been built and construction has begun on the clubhouse.

Annually, the City completes a five-year capital improvement plan. This serves as the basis for budgeting and planning for future City capital improvement projects. The Planning Department and Engineering Division study infrastructure needs for Lake Charles and the surrounding areas beyond the required five-year plan.

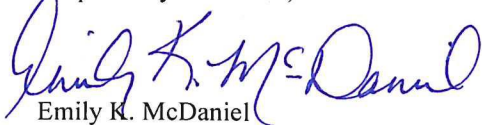
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lake Charles for its annual comprehensive financial report for the fiscal year ended September 30, 2020. The City also received this award for its reports of the preceding thirty-six years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the Finance Department staff. We wish to acknowledge Mayor Hunter for his input and vision for the development and financial future of the City of Lake Charles. His leadership through the natural disasters over the past two years has been instrumental in ensuring full recovery of the city. The City Council and others in the administrative staff take an active role in the City's financial affairs, and we appreciate their interest and support. Lastly, we would like to thank Ms. Karen Harrell for over 40 years of service to the City of Lake Charles. Her tireless dedication in the Finance Department has been recognized throughout the State of Louisiana.

Respectfully submitted,



Emily K. McDaniel
Director of Finance

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lake Charles
Louisiana**

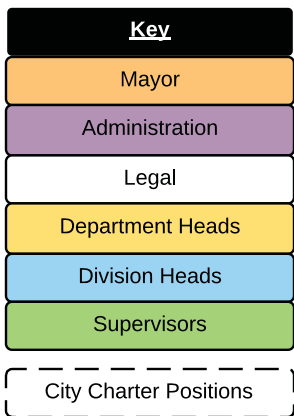
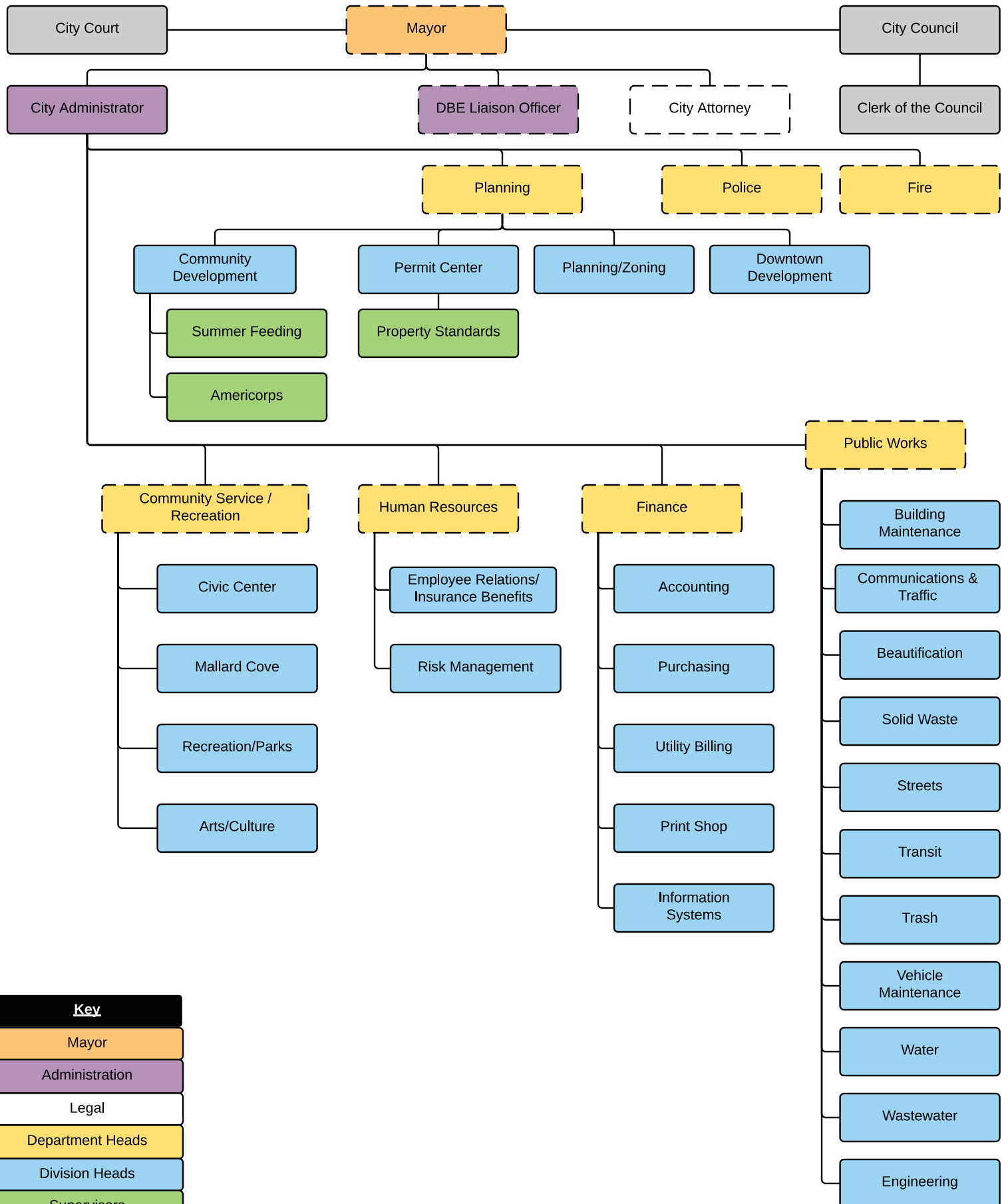
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrell

Executive Director/CEO

City of Lake Charles Organization Chart



**CITY OF LAKE CHARLES
ELECTED CITY OFFICIALS**

	<u>PRESENT TERM BEGINS</u>	<u>PRESENT TERM EXPIRES</u>	<u>BEGAN AS MEMBER</u>
<u>MAYOR</u>			
Nicholas Hunter	July 1, 2021	June 30, 2025	July 2017
<u>CITY COUNCIL</u>			
Rodney Geyen, President	July 1, 2021	June 30, 2025	July 1997
John Ieyoub, Vice President	July 1, 2021	June 30, 2025	July 2009
Luvertha August	July 1, 2021	June 30, 2025	January 2008
Mark Eckard	July 1, 2021	June 30, 2025	July 2009
Craig Marks	July 1, 2021	June 30, 2025	July 2021
Mary Morris (deceased)	July 1, 2021	August 8, 2021	July 2013
Marshall Simien, Jr. *	August 24, 2021	March 26, 2022	N/A
Stuart Weatherford	July 1, 2021	June 30, 2025	July 2005
<u>CITY JUDGES</u>			
Jamie B. Bice	January 1, 2021	December 31, 2026	January 2015
Ronald C. Richard	January 1, 2021	December 31, 2026	January 2021
<u>WARD 3 MARSHAL</u>			
Nathan Keller	January 1, 2021	December 31, 2026	January 2021

*Marshall Simien, Jr. appointed by Council Resolution August 24, 2021 to fill vacancy of Mary Morris until after results of March 26, 2022 special election.

**CITY OF LAKE CHARLES
DEPARTMENT HEADS**

EMPLOYEE	DEPARTMENT
John Cardone	Mayor's Office
David Morgan	Legal
Emily McDaniel	Finance
Wendy Goodwin	Human Resources
Delton Carter	Fire
Shawn Caldwell	Police
Stacy Dowden	Public Works
Doug Burguieres	Planning
Vacant	Community Services

Mollie C. Broussard, CPA
Jason L. Guillory, CPA
Greg P. Naquin, CPA, CFP™
Billy D. Fisher, CPA
Joe G. Peshoff, II, CPA, CVA
David M. DesOrmeaux, CPA
Samuel W. Harrison, CPA, CVA
Caitlin D. Guillory, CPA, CFE

Robert M. Gani, CPA, MT

Paula J. Thompson, CPA

MT - Masters of Taxation
CVA - Certified Valuation Analyst
CFP - Certified Financial Planner
CFE - Certified Fraud Examiner

INDEPENDENT AUDITORS' REPORT

Honorable Mayor Nicholas Hunter
and City Council
City of Lake Charles
Lake Charles, Louisiana

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 Lake Charles, Louisiana, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City Court of Lake Charles or the Office of the Ward Three Marshal, which represent 0.2 percent, 0.1 percent and 1.7 percent, respectively, of the assets, net position and revenues of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City Court of Lake Charles and the Office of the Ward Three Marshal, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, 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 of the City of Lake Charles, Louisiana, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the City of Lake Charles, Louisiana's basic financial statements. The introductory section, schedule of total compensation for Mayor, City of Lake Charles, combining and individual funds statements and schedules, combining internal service fund statements, schedules of capital assets used in the operation of governmental funds, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements

The schedule of total compensation for Mayor, City of Lake Charles, combining and individual fund statements and schedules, combining internal service fund statements, and capital assets used in the operation of governmental funds, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the Schedule of Total Compensation for Mayor, City of Lake Charles, the Justice System Funding Schedule, combining and individual nonmajor governmental fund statements, combining and individual fund statements and schedules, combining internal service fund statements, and schedules of capital assets used in the operation of governmental funds are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

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


Lake Charles, Louisiana
March 28, 2022

CITY OF LAKE CHARLES, LOUISIANA MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis seeks to provide an overview of the financial activity and performance of the City of Lake Charles for the fiscal year ended September 30, 2021, and accompanies the basic financial statements beginning on page 27 of this report. The transmittal letter on pages 1 - 5 of this report provides further information from a broader perspective, and should be consulted in conjunction with this discussion and the financial statements themselves for a more complete understanding of the City's financial condition and economic environment.

This Annual Comprehensive Financial Report for September 30, 2021 is a reflection of the five disasters that have been declared in Lake Charles since March 2020. On August 28, 2020 the area was hit by Hurricane Laura, Recovery efforts are well underway but will continue many years into the future. Hurricane Delta hit our area six weeks after Hurricane Laura, in the first week of fiscal year 2021. Winter Storm Uri, was declared in February 2021 and was followed in May 2021 by historic rainfall and flooding to parts of the city. These weather disasters all occurred while the City was dealing with the impact of the coronavirus pandemic.

These disasters have had a profound financial impact on City of Lake Charles. Expenses recorded for Hurricane Laura totaled \$54 million in fiscal year 2020 and \$82 million in fiscal year 2021. The City incurred expenses of \$7.7 million in fiscal year 2021 for the other mentioned disasters. The federal government has provided aid for all of these disasters and revenues recognizable through September 30, are included. The large variances discussed and reflected in this report are primarily related to these disasters

Financial Highlights

- The City's total net position at the end of fiscal year 2021 was \$609 million, compared to the September 30, 2020 balance of \$538 million. Per the Statement of Activities, total Governmental and Business-Type Activities revenues of \$271 million were used to cover total expenses of \$199 million, primarily in public works related activities due to the rebuilding efforts from the disasters.
- Total revenue from both governmental and business-type activities was \$271 million, which was an increase of \$72 million or 36 percent from the previous year total of \$199 million. Operating grants and contributions of \$114 million accounts for 42 percent of total revenue and increased by \$58 million or 105 percent over prior year. The increase reflects federal revenue from the Coronavirus Aid Relief and Economic Security (CARES) Act, Federal Emergency Management Association (FEMA), and insurance proceeds for hurricane damage. Capital Grants and Contributions of \$17 million include funds received from the American Recovery Plan Act (ARPA).
- Tax revenues account for 39 percent of total revenues. Sales taxes remain a main component, accounting for 31 percent of total revenues and are increased by 31 percent over prior year, most of which is attributable to spending for hurricane repairs and replacement. Property tax revenues were reduced due to impaired property and Riverboat taxes were reduced due to closures of the casinos during the pandemic and natural disasters.
- In the fund financial statements, total governmental fund balances of \$202.5 million is an increase of \$48 million from \$154.4 million in 2020. The fund balance in the General Fund was increased by \$7.5 million to \$37.8 million, with sales tax revenue collections higher due to the costs of materials needed for the continued rebuilding efforts. The Disaster Recovery Fund increased by \$25.7 million, and included unspent insurance proceeds and transfers from other funds to pay future rehabilitation to City facilities damaged in the storms. The Capital Project Fund reserves increased by \$14 million with additional transfers for capital improvements that will be completed in the current fiscal year, as well as funds accumulated for projects that are currently under design.
- The 2021 governmental fund revenues of \$246.6 million are an increase of 48 percent above the \$167 million collected in 2020. Intergovernmental revenues increased by \$29.7 million primarily for ARPA and FEMA disaster recovery funds. Taxes of \$104 million is an increase of 19 percent from \$87 million in

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fiscal year 2020. Miscellaneous revenue increased from \$10 million in the prior year to \$46 million and is primarily due to insurance proceeds for property damaged by Hurricane Laura.

- Governmental fund expenditures of \$199 million is a 23 percent increase from the 2020 expenditures of \$162 million. Expenditures of \$89 million in the Disaster Recovery Special Revenue Fund accounts for the overall increase in expenses.
- The General Fund operating revenues of \$89.8 million exceeded expenditures and transfers of \$82.3 million resulting in a total fund balance increase of \$7.5 million. The total expenditures included \$8.2 million in transfers from the General Fund to the Disaster Recovery Fund and \$4.5 million for capital projects. The ending fund balance was \$37.8 million at September 30, 2021 compared to \$30.3 million at the end of fiscal year 2020.

The Financial Statements

This report encompasses a series of financial statements consisting of the following components:

1. The government-wide financial statements are designed to provide an organization-wide overview similar in nature to the form of reporting used for private-sector businesses. The two components of this presentation are:
 - The Statement of Net Position is roughly equivalent to a private business balance sheet, summarizing all of the City's assets and liabilities and reporting the difference between the two as "net position." Changes in net position over time may provide an indication of either an improving or declining financial position.
 - The Statement of Activities is an organization-wide operating statement which accounts for changes in fund net position during the City's 2021 fiscal year. This statement takes into account all revenues and expenses accrued for that year, regardless of when cash is received or paid.

The government-wide statements presented on pages 28 - 29 of this report are a result of the financial reporting model established by Governmental Accounting Standards Board Statement No. 34. These statements also distinguish governmental activities, which are those city functions principally supported by taxes and intergovernmental revenues from business-type activities which are intended to recover a significant portion of their costs through user fees and charges. The City's governmental activities include such functions as public safety (fire and police) and public works (principally streets, sanitation and sewerage), while its business-type activities consist of a civic center, golf course, transit system, and water utility.

The government-wide statements also include two component units, City Court and the Ward Three Marshal, which are legally separate entities with financial dependency on the City as their "primary government." They do not include other legally separate local entities which are financially and operationally independent of the City. This discussion and analysis pertains only to the City as primary government.

2. Fund financial statements report financial data for individual funds into which the City's accounts are organized to maintain compliance with finance-related legal and contractual requirements. This report includes two categories of funds, governmental and proprietary. (The City has no fiduciary funds.)

The governmental fund financial statements generally cover the same functions as the governmental activities in the government-wide statements but differ in their focus on near-term spendable resources rather than longer-term measurement of net position. A comparison of the fund and government-wide statements with respect to governmental functions is useful in gaining a longer-term perspective than that provided solely by the near-term focus of governmental fund statements, and reconciliation is provided in the governmental fund statements to support such comparison.

The City maintains fourteen individual governmental funds, six of which are classified as major. Budget to actual statements for four funds are separately displayed in the Required Supplemental Information section

MANAGEMENT'S DISCUSSION AND ANALYSIS

beginning on page 88 of this report. There are eight special revenue funds which are aggregated into a single display on those schedules but are individually presented in the combining statements referred to below.

The proprietary fund financial statements cover business-type activities in which external customers are charged for services, as well as internal service activities funded by charges to other city funds and operating units. The enterprise fund category in these statements corresponds to the business-type activities reported in the government-wide statements. The internal service category consists of two funds which account for risk financing and employee group medical benefits. All proprietary fund statements are reported on the accrual basis of accounting as used in the government-wide statements and in private-sector business.

3. Notes to the financial statements provide additional information and explanation necessary for full understanding of the government-wide and fund financial statements and are presented on pages 42 - 86 of this report.
4. Required Supplemental Information is included with information related to OPEB, Net Pension Liability and budget to actual schedules for the major governmental funds.
5. Other information, consisting of the combining statements for the eight non-major governmental funds and two internal service funds and the schedule of total compensation for Mayor, is presented immediately following the Required Supplemental Information.
6. The statistical section contains primarily trend data and non-financial information about the City's various activities.

City-wide Financial Analysis

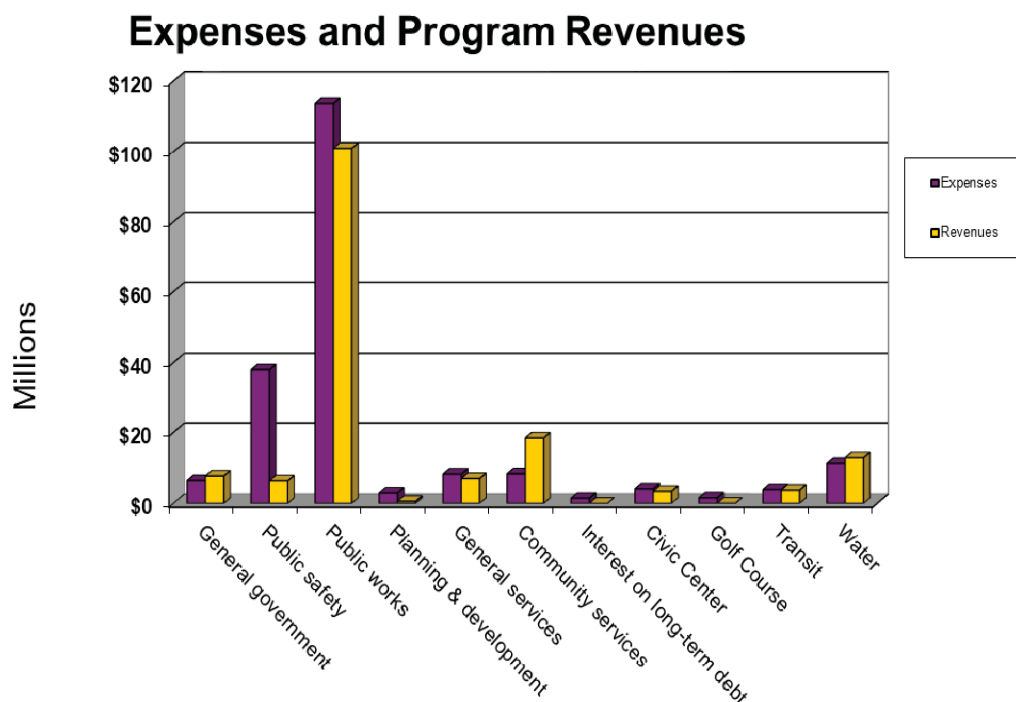
As shown on the government-wide financial statements, the City's net position at the end of 2021 was \$609,047,387 with 69 percent of this total consisting of capital assets, i.e., physical plant, equipment, and infrastructure, less related outstanding debt. An additional 5 percent of the net position is externally restricted by law or contract, leaving 26 percent as unrestricted net position which is generally available for use at the City's discretion. Year-end assets, liabilities, and net position are summarized below. It should be noted that the investment in capital assets is not available as a financial resource for payment of related debt, other liabilities, or future costs, which will require the use of either existing financial resources or future revenues. Also note that capital assets are reported net of accumulated depreciation and that the infrastructure portion of these reported assets includes only those projects completed since 1975.

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NET POSITION (in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 260,206	\$ 242,886	\$ 31,341	\$ 33,948	\$ 291,547	\$ 276,834
Capital assets	389,927	379,756	79,624	76,941	469,551	456,697
Total assets	650,133	622,642	110,965	110,889	761,098	733,531
Deferred outflows of resources	10,800	17,338	660,694	1,310	11,461	18,648
Long-term liabilities	92,443	127,092	6,497	6,661	98,940	133,753
Current and other liabilities	39,074	70,416	2,746	4,450	41,820	74,866
Total liabilities	131,517	197,508	9,243	11,111	140,760	208,619
Deferred inflows of resources	21,713	5,548	1,039	82	22,752	5,630
Net position:						
Net investment in capital assets	342,958	325,072	79,624	76,941	422,582	402,013
Restricted	30,663	34,961	-	-	30,663	34,961
Unrestricted	134,083	76,891	21,719	24,065	155,802	100,956
Total net position	\$ 507,704	\$ 436,924	\$ 101,343	\$ 101,006	\$ 609,047	\$ 537,930

Total net position of \$609,047,387 is an increase of \$71,117,274 or 13.2 percent from the 2020 net position of \$537,930,113. The change in net position for governmental activities was a 16.2 percent increase, while business-type activities remained constant. Explanations of the changes are outlined in the pertinent sections below.

The following chart summarizes expenses and related program revenues for the various governmental and business-type functions displayed in the financial statements. The significance of this comparison is that the portion of each function's expenses not offset by program revenues is left to be covered by general revenues, namely taxes and other restricted sources.



On an overall basis, the City's total costs in 2021 were \$178.8 million for governmental activities and \$20.7 million for business-type activities. Total expenses of \$199 million are a 7.2 percent increase over 2020 expenses of \$186 million. The portions not covered by program revenues, or net costs funded by taxes and other general revenues, were \$37.9 million for governmental activities. The public works function increased to \$113.6 million in 2021 to account for damages related to Hurricane Laura but the increase in grants and contributions increased proportionally, resulting in excess expenses over program revenue of \$6.5 million. The public safety function (fire and police) has \$31.2 million in excess expenses over program revenues during 2021.

The City's total revenue for 2021 was \$270.6 million, a 36 percent increase from 2020 revenues of \$198.8 million. Operating and capital contributions and sales tax collections accounted for the increase.

The Statement of Activities for 2021 categorizes the City's revenues as either program revenues, which are service charges or grants and contributions for specific governmental or business-type functions, or general revenues which include most taxes and other revenue sources of a government-wide nature.

Major components of program and general revenues, together with total expenses and the resulting change in net position, are summarized below for the 2021 fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CHANGES IN NET POSITION						
(in thousands)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	\$ 17,703	\$ 19,910	\$ 12,086	\$ 14,088	\$ 29,789	\$ 33,998
Operating grants & contributions	108,913	51,497	5,139	4,169	114,052	55,666
Capital grants & contributions	14,267	12,491	2,680	1,819	16,947	14,310
General revenues:						
Property taxes	10,742	11,661	-	-	10,742	11,661
Sales taxes	82,759	63,189	-	-	82,759	63,189
Utility franchise taxes	5,237	5,351	-	-	5,237	5,351
Riverboat gaming taxes	7,845	9,413	-	-	7,845	9,413
Other general revenues	3,133	4,845	79	357	3,212	5,202
Total revenues	250,599	178,357	19,984	20,433	270,583	198,790
Expenses:						
General government	6,403	6,834	-	-	6,403	6,834
Public safety	37,982	47,227	-	-	37,982	47,227
Public works	113,640	83,648	-	-	113,640	83,648
Planning and development	2,882	2,809	-	-	2,882	2,809
General services	8,467	8,398	-	-	8,467	8,398
Community services	8,006	13,133	-	-	8,006	13,133
Interest in long-term debt	1,406	1,591	-	-	1,406	1,591
Civic Center	-	-	4,061	3,333	4,061	3,333
Golf Course	-	-	1,539	2,845	1,539	2,845
Transit	-	-	3,817	4,235	3,817	4,235
Water	-	-	11,263	12,061	11,263	12,061
Total expenses	178,786	163,640	20,680	22,474	199,466	186,114
Excess before transfers	71,813	14,717	(696)	(2,041)	71,117	12,676
Transfers	(1,033)	(3,705)	1,033	3,705	-	-
Increase (decrease) net position	70,780	11,012	337	1,664	71,117	12,676
Net position - beginning	436,924	425,912	101,006	99,342	537,930	525,254
Net position - ending	\$ 507,704	\$ 436,924	\$ 101,343	\$ 101,006	\$ 609,047	\$ 537,930

As indicated by the above table and the following chart, Operating Grants and Contributions are the City's largest single revenue source, accounting for 42 percent of all government-wide revenue in 2021. Sales Tax revenue of \$82.8 million is an increase of 31 percent from 2020 collections. The increase is primarily attributable to the rebuilding efforts from Hurricanes Laura and Delta. This is reflected in the current sales tax trend, maintaining a steady collection for the past 4 month's collections when compared to collections for the same 4-month period in fiscal year 2021.

Operating grants and contributions represent 42 percent of total revenue and increased to \$114 million compared to \$55.7 million in fiscal year 2020. The increase in operating grants and contributions includes intergovernmental revenue of \$3.1 million from the CARES Act, \$60 million from FEMA for disaster recovery and \$44.5 million from the City's property insurer for initial repairs and remediation of various City properties and functions. Capital grants and contributions account for 6 percent of all revenue and includes \$8.5 million from ARPA.

Charges for services of \$29.8 million account for 11 percent of all revenue and were decreased by \$4.2 million in 2021 compared to prior year. Reduced revenues from water and sewer utility fees account for most of the reduction. Many revenue-generating facilities, such as the Civic Center, continue to operate a reduced capacity due to

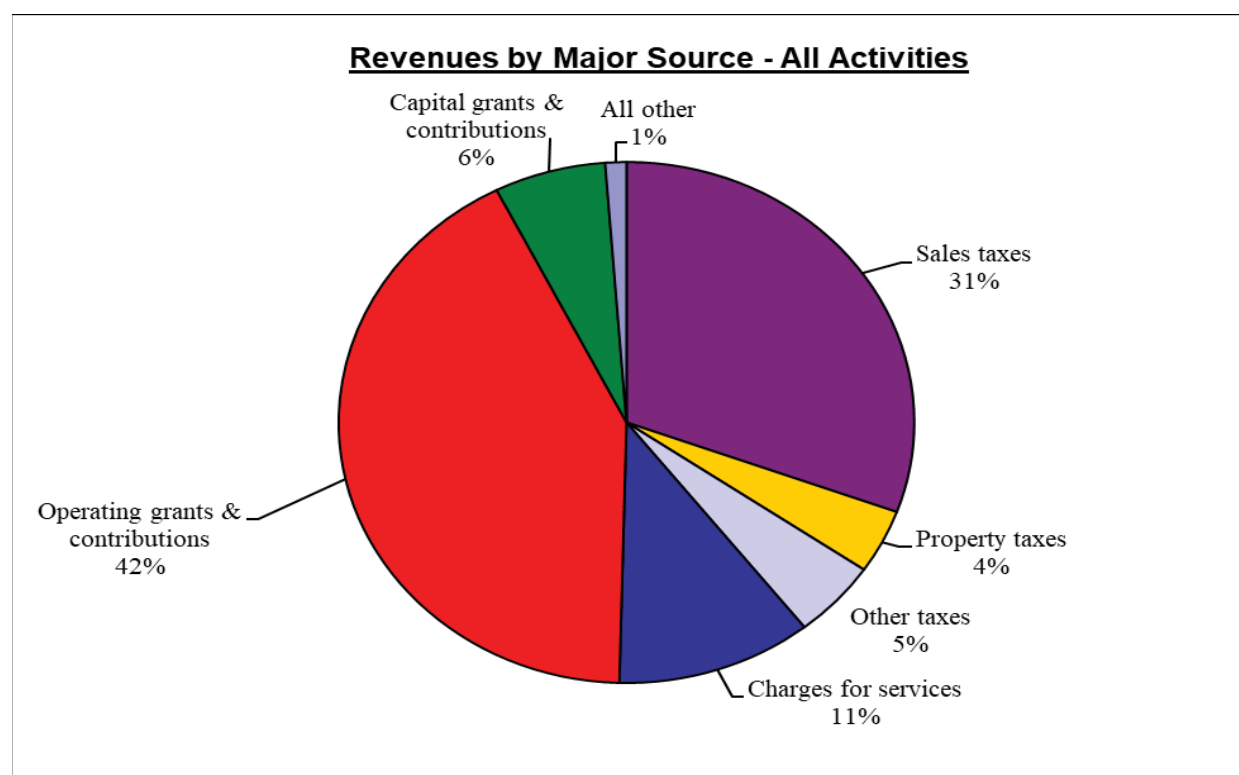
MANAGEMENT'S DISCUSSION AND ANALYSIS

restoration efforts at those facilities. The City is optimistic that full services will resume as restoration projects are completed. The old municipal golf course did not reopen following Hurricane Laura but the new course, which was under construction at the time of the storm, opened in October 2021.

Property taxes account for 4 percent of total revenues and decreased by 8 percent in 2021. Property taxes were reassessed in 2020 and the City Council adopted the adjusted maximum levy of 15.12 millages. However all property was assessed again to reflect damages related to the hurricanes. As anticipated, fiscal year 2021 property revenues were negatively affected.

Gaming tax revenue were also affected by the pandemic and hurricanes, with a 16.7 percent decrease in revenues from \$7.8 million in the current year, compared to \$9.4 million in 2020. The City of Lake Charles and the Calcasieu Parish Police Jury created the Calcasieu Parish Gaming Revenue District and in April 2007 entered into a cooperative endeavor agreement to pool most gaming revenues received parish-wide. Due to recent changes in state regulations, one casino located on a riverboat within Calcasieu Parish was closed after Hurricane Laura. A land based casino is being built to replace the riverboat and that revenue loss has continued into fiscal year 2021.

Other general revenues of \$3.2 million includes interest earnings of \$703,253, which is a 72 percent reduction from \$2.5 million in 2020 and is attributable to lower interest rates on investments.



Total expenses increased by 7.2 percent to \$199 million compared to \$186 million in 2020. The public works category accounted for 57 percent of all expenses in 2021 and was the largest categorical increase of \$29.9 million. The increase is primarily due to Hurricane Laura expenses related to debris collection and emergency restoration of water and wastewater functions. Public safety accounts for 19 percent of all expenses and decreased by 19.6 percent to \$37.9 million in 2021. The decrease is due to a reduction in disaster recovery labor costs and the reduction of the City's Net Pension Liability in the Fire and Police retirement systems.

Analysis of Fund Financial Statements

This discussion pertains to the financial statements for the various funds into which the City's accounts are divided to comply with legal requirements. As previously noted, the two fund classifications represented in these statements are governmental and proprietary funds. The below discussion of the Fund Financial Statements is a better

MANAGEMENT'S DISCUSSION AND ANALYSIS

representation of the City's current financial condition, rather than the above statements, which represent a longer-term picture of resources and liabilities.

The City's governmental funds had a combined fund balance of \$202,467,281 at the end of fiscal year 2021, an increase of \$48 million from fiscal year 2020 balance. There were significant changes in individual funds. The reserves in the General Fund were increased by \$7.5 million to \$37.8 million compared to \$30 million in 2020. The Disaster Recovery Fund received \$10.2 million in transfers. The Disaster Fund balance increased by \$25.6 million and accounts for the largest portion of reserves. The Capital Project fund balance increased by \$14.1 million.

The City's proprietary funds' net position increased to \$101,343,755 in 2021 compared to \$101,006,321 in the previous year. The Water Fund's net position accounts for 77 percent of the total.

General Fund Summary

The General Fund is the City's principal operating fund, accounting for 33 percent of all revenue received by the City and 36 percent of revenue for all governmental funds.

The City ended fiscal year 2021 with a fund balance reserve of \$37.8 million in the General Fund compared to \$30.3 on September 30, 2020. Hurricane Laura related revenues and expenses were not included in the adopted fiscal year 2021 budget but had a major financial impact on the City. A sales tax revenue windfall from rebuilding efforts will be used to cover emergency and rebuilding efforts estimated at \$220 million through September 30, 2022.

The General Fund revenues of \$89,780,963 were \$13.7 million or 17.9 percent more than fiscal year 2020 revenues of \$76,095,344. Total sales tax revenues of \$62.9 million account for 70 percent of all General Fund revenues and were a 31 percent increase as compared to last fiscal year. Property taxes of \$9.5 million account for 10.6 percent of General Fund revenues and decreased by 7.8 percent. Licenses and permits of \$1.7 million increased 90 percent over prior year due to permits issued to rebuild residential and commercial properties damaged by the storms.

Actual General Fund operating expenditures of \$67,366,542 were increased by 2 percent compared to prior year expenditures of \$65,925,770. Salaries of \$27.6 million accounts for 41 percent of total expenditures and were unchanged from prior year. Overtime cost increased in the General Fund to \$4 million returning to pre-disaster levels. Other operational expenses, such as maintenance, material and supplies remained at 22 percent of all operating expenditures.

Fringe benefits, including retirement contributions and health insurance, of \$13.7 million account for 20 percent of all General Fund expenses. Retirement contribution expenses were increased to \$7.2 million in 2021 compared to \$6.8 million in the 2020 fiscal year. For the period July 1, 2020 through June 30, 2021, retirement contribution rates were 32.25 percent for the Fire Department, and increased to 33.75 percent on July 1, 2021. The rates for the Police Department were 33.75 percent and decreased to 29.75 percent on July 1, 2021. The rates for all other employees remained unchanged at 15.5 percent.

The General Fund had operating transfers, which are necessary to subsidize the grant funds and the proprietary funds, totaled \$2.2 million in 2021. The General Fund was amended during the fiscal year and provided \$8.2 million to the Disaster Recovery Fund to cover unreimbursed expenses and improvements to the City's drainage system. The City also provided for a transfer of \$4.5 million for capital projects, primarily for wastewater system improvements and drainage projects.

In summary, current year operating revenues of \$89.8 million were sufficient to cover operating expenditures of \$67.4 million and transfers of \$14.9 million, resulting in a fund balance increase of \$7.5 million. The General Fund's ending balance in 2021 was \$37,848,141, which represents 46 percent of total expenditures and all transfers made from the fund that year. The fund balance amount at 2020 fiscal year end was \$30,357,152, which was 37 percent of total expenditures. However, the fiscal year 2022 budget was recently amended and anticipates that more than \$8.7 million of reserves will be needed to cover operational expenses and additional transfer for disaster recovery and capital projects.

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Other Major Fund Summary

The Disaster Recovery Special Revenue Fund was initially established to account for revenues and expenses related to Hurricane Rita, and it has since be used to account for any disaster thereafter. Fund balance reserves were retained in this fund for use during any subsequent disaster. Revenues and expenses related to the coronavirus pandemic, Hurricanes Laura and Delta, Winter Storm Uri, and May flooding required this fund to be classified as a major fund. Revenues of \$105 million represents 43 percent of all governmental fund revenues and expenditures of \$89 million account for 45 percent of total expenses. Prior year revenues of \$47.6 million and expenses of \$56 million related to the pandemic expenses and storm related expenses incurred from the onset of Hurricane Laura through September 30, 2020.

The fiscal year 2022 budget for the Disaster Recovery Fund was recently amended to provide for an additional \$15.8 million of expenses for Hurricane Laura. Debris removal alone has cost the City \$87 million across fiscal years 2020 and 2021.

The original adopted budget for the Disaster Recovery Fund included anticipated revenues and expenditures for Hazard Mitigation Grants for a Home Elevation Program to mitigate repetitive loss due to flooding. Although several properties have been identified and approved, there was no activity for this program in the current fiscal year. Grant funds will be reauthorized as needed until all homes are completed.

The revenues recorded in the Riverboat Gaming Special Revenue Fund of \$7.9 million was a 17 percent decrease over prior year revenues of \$9.5 million. The gaming revenues at the casinos were reduced because of the coronavirus and hurricanes. The gaming taxes received by the City each year are first and primarily dedicated to the repayment of a portion of the City's debt obligations. Remaining funds are used to fund one-time capital improvements. It was anticipated that current year revenues would be below needed transfers; fund balance reserves of \$1.3 million from fiscal year 2020 were reduced to \$184,050 in 2021.

The Wastewater Special Revenue Fund revenues of \$15.8 million in fiscal year 2021 was a decrease of 6 percent compared to \$16.8 million in 2020. Sales tax receipts of 16 percent of one cent are dedicated to wastewater increased to \$5.2 million compared to \$4 million in the previous year. Sewer user fees of \$10.6 million are the primary source of revenue and were decreased by 16 percent from the prior year.

Wastewater operating expenses of \$10 million is a 9 percent decrease over last fiscal year. Each year funds are transferred to the Capital Project Fund and to debt service funds to pay for debt service obligations. The transfer to the Capital Project Fund is used for infrastructure improvements to the wastewater system. Needed expansions and improvements are considered when determining a rate schedule. Total transfers in fiscal year 2021 were \$5.1 million; \$3.1 million for debt service payments and \$2 million for capital improvements. The transfer in 2020 was \$6.9 million. Fund balance reserves increased to \$5.2 million in 2021 from \$4.2 million in 2020. Service interruption for water customers was experienced during each disaster. The City's billing software was damaged during Hurricane Laura and labor shortages resulted in lost revenue in the Wastewater and Water Funds. The City is currently in the process of installing an automated meter reading system, which should provide more accurate billings for all customers.

The Debt Service Fund revenues and expenditures remained constant as compared to prior year. Transfers of \$8.5 million into the debt service funds come primarily from the Wastewater, Gaming and Capital Project funds and are used to meet the annual principal and interest debt service requirement.

Capital Project Fund Summary

The Capital Projects Fund revenues increased to \$20.9 million compared to \$10.7 million in fiscal year 2020. The Capital Project Fund received 28 percent of a one cent sales tax levy, collections which were increased by 31 percent. Intergovernmental revenue increased to \$11 million in fiscal year 2021 compared to \$1.4 million in the prior year. ARPA funds of \$8.4 million account for most of the increase. Other revenues in the category are funds from governmental entities that cost share in various projects and funds from the Convention and Visitor's Bureau as per a CEA, which provides that the City receive funds from a tax dedicated for economic development. The reduction of interest earning this year as compared to last are reflected in miscellaneous revenues.

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There was \$14.7 million transferred into the fund in the current fiscal year, compared to \$14.9 million transferred in 2020. Transfers are from the General, Riverboat Gaming, Wastewater, Water and other special revenue funds. The funds are used for improvements to streets and drainage, wastewater system improvements and other general capital projects.

Expenditures of \$19.1 million in fiscal year 2021 is an increase of \$4.5 million compared to \$14.6 million in fiscal year 2020. Fiscal year 2020 was a planning year for many large projects and although the disasters delayed some projects others were able to proceed and funds accumulated for those projects are anticipated to be spent in fiscal year 2022. The increase in fund balance of \$14 million includes ARPA funds, which are planned for projects in the upcoming year. Total fund balance at year-end of \$116 million are restricted or committed for capital projects.

The business-type activities revenues of \$11 million are decreased by 21 percent from fiscal year 2020. Charges for Services were reduced in the Civic Center and Golf Course Funds due to those facilities being closed by the coronavirus pandemic and the multiple disasters but make up only 2 percent of total revenues. Water revenues account for the majority of revenues and were reduced by nearly \$2 million from last fiscal year. As previously discussed, water service interruptions during the storms and billing system problems cause loss of revenue in both the Wastewater and Water Funds. Also the City did not process water cutoffs or charge late fees since March 2021 to ease the burden of its citizens during the pandemic and the disasters. Operating expenses were reduced to \$19 million from \$22 million in the prior year, primarily due to closure or reduced services in the Civic Center, Golf Course and Transit Funds. Total net position was relatively unchanged from prior year.

Capital Assets

The City's total net investment in capital assets of \$469 million at the end of the 2021 fiscal year was an increase of \$12 million from \$457 million at the end of 2021. Construction in Process increased by \$14 million during the year, primarily in the Governmental Activities and include streets, lakefront development and wastewater system improvement projects. The decrease of \$1.5 million for construction in progress in the Business-type Activities is primarily in the Water Fund and relates to the completion of a ground storage tank and several rehabilitation projects. Buildings were reduced by more than \$2 million in this fiscal year and reflects the loss of structures due to storm damage.

Components of the City's capital assets are summarized in the following table. As previously noted, reported value for infrastructure is limited to projects completed since 1975. Additional detail is provided by the financial statements and notes thereto (Note 4-C).

Net Investment in Capital Assets as of September 30, 2021						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 16,399	\$ 16,359	\$ 3,586	\$ 2,186	\$ 19,985	\$ 18,545
Construction in progress	32,778	17,222	4,645	6,195	37,423	23,417
Buildings	20,606	22,825	5,537	5,744	26,143	28,569
Improvements other than buildings	67,479	69,481	62,238	59,108	129,717	128,589
Equipment	12,668	13,255	3,618	3,708	16,286	16,963
Infrastructure	239,997	240,614	-	-	239,997	240,614
Total	<u>\$ 389,927</u>	<u>\$ 379,756</u>	<u>\$ 79,624</u>	<u>\$ 76,941</u>	<u>\$ 469,551</u>	<u>\$ 456,697</u>

Debt Administration

As of September 30, 2021, the City's Governmental Activities reported \$92 million in non-current liabilities compared to \$127 million in the previous year. The change in net pension liability accounts for most of the

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reduction. Bonded debt of \$29.8 million is reduced from \$35.9 million in fiscal year 2020 and is payable from future annual appropriations, all of the outstanding bond principal is due within ten years.

The City has no outstanding general obligation debt to which a bond rating can be assigned. All outstanding bond issues are insured and therefore rated "AA" by Standard and Poor's. Statutory debt limits applicable to the City have not been met or exceeded by any of the City's current outstanding debt.

As per notification by Standard and Poor's on February 2018, all City of Lake Charles debt was upgraded one notch following new criteria application; therefore, all debt was upgraded from "AA-" to "AA".

The voters of Lake Charles approved a \$90 million bond issue in November 2006. Through the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA), the City has issued bonds in 2007 and in 2010 totaling \$75 million. The proceeds were used for improving streets and roads, park and recreation facilities, water and wastewater systems, downtown and/or lakefront development infrastructure and economic development initiatives within the City. Riverboat gaming revenue, sales tax revenues and funds from sewer user fees are used to repay the debt.

The City issued \$15,825,000 in Revenue Refunding Bonds in December 2014. The proceeds were used to advance refund a portion of the outstanding 2007 Public Improvement Bonds. In May 2017 the City issued \$24,140,000 in Revenue Refunding Bonds to refund the remaining 2007 Public Improvement Bonds and to advance refund a portion of the outstanding 2010 Public Improvement Bonds. Both Series were assigned a rating of "AA-" (stable outlook) by Standard and Poor's.

The City refunded \$20 million in variable rate bonds in October 2009. At that time, the City requested a rating from Standard and Poor's and was upgraded to a rating of 'A+'. The bonds, in the amount of \$17,735,000, were insured and were sold with a rating of "AAA". The sewer user fees of the Wastewater Special Revenue Fund are used to repay this debt. The final principal payment of \$1.7 million was paid in fiscal year 2021.

The City of Lake Charles was approved in 2011 by the Louisiana Department of Environmental Quality (DEQ) for a \$21,000,000 loan from the State Revolving Loan Fund for improvements to the City's wastewater system. Current principal balance is \$13,462,000. The debt will be repaid with sewer user fees of the Wastewater Special Revenue Fund through 2032.

The City has been approved for an additional \$20 million loan from the DEQ State Revolving Loan Fund in anticipation of future major sewer improvement projects. As with the 2011 loan, interest and administration fees will total 0.95 percent and would be repaid over a 20-year period.

The City has been approved for a \$20 million loan from the Department of Health Drinking Water Revolving Loan Fund in anticipation of future major water system expansions. Interest and administration fees will total 2.45 percent and would be repaid over a 20-year period.

In June 2021, the city council approved a drainage proposal to issue up to \$20 million in bonds to address the drainage problems within the city boundaries. The bonds will be repaid over a term not to exceed 20 years, at a rate of interest not to exceed 5 percent. As disclosed as a subsequent event in the notes to the financial statements, the City issued a \$10 million bond in December 2021.

Additional information regarding long-term debt and liabilities is provided in the financial statements and accompanying notes (Note 4-H).

Economic Outlook

Southwest Louisiana continues to focus on recovery from the pandemic and natural disasters that have plagued our area for the past two years. The current labor market and the supply chain shortage, along with lengthy insurance disputes have hampered recovery. Although many businesses have been repaired and reopened, for others, repairs are not yet completed and businesses remain closed. Demolition of buildings can be seen throughout the City and new construction underway. Many properties, especially residential, seem to have an uncertain future. HUD has awarded the City funds to help in the recovery efforts.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Prior to 2020, Southwest Louisiana's economy was reaping the benefits of historic expansion into the liquefied natural gas industry. Although the construction phase for many projects is over, the direct new jobs created at the facilities will have a lasting positive effect on our area. In December 2021, Venture Global announced they are investing more than \$10 billion for another LNG facility in Cameron Parish and Driftwood LNG in Calcasieu Parish will be making their final investment decision in 2022. These LNG facilities have and will continue to make a difference in the global oil and gas market.

Total sales tax collections for the fiscal year have increased by 31 percent, an increase of \$19 million, which is attributable to hurricane recovery and rebuilding. It is not anticipated that these revenues will be sustained into future years and the 2022 adopted budget reflects lower projections. However, the sales tax collections for the first four months of fiscal year 2022 remain constant when compared to the first four month's collections of 2021.

Gaming revenues were reduced in fiscal year 2021 due to lingering effects of the pandemic and closure of the gaming floor in August and October 2020 for Hurricanes Laura and Delta. All of these facilities sustained damage, with one riverboat casino planning to remain closed until the construction of a land-based casino is completed. The City of Lake Charles collected \$7.8 million in fiscal year 2021 compared to \$9.4 million in fiscal year 2020, and anticipates \$10 million will be received in fiscal year 2022.

The Louisiana Workforce Commission report dated March 15, 2022 for January 2022 reflected a Civilian Labor Force (not seasonally adjusted) unemployment rate of 4.4 percent for the United States, which compares to 6.8 percent in January 2021 and statewide unemployment rate is 4.3 percent, compared to 6.5 percent last January. The unemployment rate for the Lake Charles MSA was estimated at 4.2 percent for January 2022, compared to 7.2 percent in January 2021. The report stated that the Lake Charles MSA gained 6,700 jobs over the year. The Construction sector added 3,100 and 2,500 jobs in leisure, hospitality accommodation and food service categories.

The City's Planning Department reported in 2021 a decrease of single-family dwellings to 337 and multi-family dwellings to 24, permitted with a value of \$52 million. In 2020 there were 396 single-family dwelling and 31 multi-family dwelling units permitted with a value of \$65 million. This decrease is due to limited sources of supplies and labor to rebuild from the storms.

The real estate market in Southwest Louisiana has also been affected by the hurricanes. The Lake Charles MSA Realtor Housing Data shows a 220 housing unit decrease from 701 units available in 2020 to 481 in 2021. The median house price in Southwest Louisiana is \$234,750, a 9 percent increase over 2020. Interest rates remain historically low and can result in significant savings to homeowner over the life of the mortgage.

The Lakefront, I-10 Corridor, and Enterprise Boulevard Economic Development Districts that were created in 2018 have been very successful in repurposing blighted property and providing incentives for development and businesses within their boundaries. The Nelson Market and Morganfield Economic Development Districts have spurred development in the southern and eastern edges of the city.

In February 2021, the State of Louisiana approved a Tax Increment Financing Agreement with the City of Lake Charles, allocating 45 percent of the State's sales tax increment within the City's three Economic Development Districts. The incremental increase in sales taxes for 30 years will be used for public infrastructure and projects within the districts. The City plans to offer incentives that will result in the creation of jobs, stimulate economic development and increase sales and use tax receipts within the geographic area comprising the District, serving an integral public purpose for local and state citizens and all traveling through Lake Charles on Interstate 10.

Next Year's Budget

The City's 2021 adopted budget did not include any expenses for the natural disasters and was amended multiple times to account for additional expenditures and anticipated revenues. There continues to be a moderate level of uncertainty as to the reconstruction costs, how long reconstruction will last, and the economic future of the coming year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The fiscal year 2022 Operating and Capital budget was submitted to the City Council on August 13, 2021. The full financial impact of the storms was and is still being determined. The City proposed a budget with modest revenue projections and level expenditures.

The Disaster Recovery Fund's adopted expenditure budget of \$14.4 million was amended in January 2022 in anticipation of additional \$15.8 million in expenses for a total of \$30 million to be spent for Hurricane Laura recovery and repairs through September 30, 2022. The amended budget estimates the City will receive \$20 million from FEMA. The General Fund was also amended to provide an additional \$2.9 million of fund balance reserves to the Disaster Recovery Fund to pay for the City's cost share of expenditures.

The fund balance of the General Fund was \$37.8 million at fiscal year-end 2021, which is 46 percent of all expenditures incurred in fiscal year 2021 and within our policy of reserves of 35 percent of departmental expenses and operational subsidies to other funds. However, the January amendment calculates that \$8.7 million of those reserves will be used in fiscal year 2022 to cover all expenses and transfers, resulting in fund balance reserve of \$29 million at the end of the year.

The fiscal year 2022 capital budget includes \$54.7 million which includes \$19.7 million for streets and drainage, \$25.8 million for water and wastewater projects, and \$6.9 million for community and government services, as well as debt service obligations. Many of these projects were put on hold as needed due to the storms and some delays are continuing due to cost escalations.

Planning has begun on new projects for facilities and functions that have to be rebuilt after the storms. The budget includes \$14.7 million for Hurricane Laura Capital Projects that have been identified as being essential in the recovery efforts for the City. These funds will be used to rebuild destroyed structures, such as the Public Work's administration building and other buildings at the Broad Street campus, Police Department's annex, training, and SWAT buildings, McNeese Street Water administration and lab building as well as many other water and wastewater facilities. The planning and actual construction of these facilities will take several years. Budgets will be developed as costs are calculated and funding sources are identified.

Large scale projects such as the Prien Lake Road project is currently under construction. This much needed arterial road, is being funded by both the City and the Calcasieu Parish Police Jury. Land has been purchased for the new Water Treatment Plant and supporting distribution line. Design of the plant is nearly completed and the project should be let for bids by the end of the year. A new major sewer transport line is also being designed and will provide relief to existing lines, as well as allow for expansion of the system. The water and sewer projects will be funded from accumulated reserves and proceeds from state revolving loan funds.

Mayor Hunter and the City's administration were excited to see the installation of the bulkhead and foundation work completed along the lakefront, which provides the infrastructure backbone for future development within the Lakefront and the I-10 Corridor Economic Development Districts. The anchor of this development will be Port Wonder, a \$20 million lakefront project that will house the Children's Museum of Lake Charles and the Louisiana Department of Wildlife and Fisheries' Science Center and Educational Complex. Both governmental and private partners have combined financial support and remain committed to fund the project. Crying Eagle Restaurant and Brewery and Lake Area Adventures have committed to development of a businesses on the lakefront. Initial cleanup of the existing parking garage has begun and a total renovation project is currently under contract.

The City will continue to seek all available funding, from every possible source to rebuild our City better and stronger than it was before these disasters. Although there is still so much work to be done, the citizens of Southwest Louisiana are excited to see life returning to our area. Arts, cultural and tourist events are back, such as Mardi Gras balls and parades, concerts and festivals. The City extends a wealth of gratitude to the people of Southwest Louisiana for their resiliency, hard work and commitment to restoring their lives, property and businesses.

Requests for Information

This report is intended to provide interested parties with a general overview of the finances of the City of Lake Charles. Questions or requests for further financial information should be addressed to the Department of Finance, City of Lake Charles, P. O. Box 3706, Lake Charles, Louisiana 70602.

BASIC FINANCIAL STATEMENTS



CITY OF LAKE CHARLES, LOUISIANA

Statement of Net Position

September 30, 2021

	Primary Government			Component Units	
	Governmental	Business-Type	Total	City Court	City Marshal
ASSETS	Activities	Activities			
Cash and cash equivalents	\$ 153,272,773	\$ 13,673,301	\$ 166,946,074	\$ 74,827	\$ 295,594
Investments	43,596,312	12,304,574	55,900,886	-	-
Receivables (net of allowance for uncollectables)	60,653,200	3,246,166	63,899,366	26,515	13,078
Internal balances	(39,591)	39,591	-	-	-
Inventories	348,269	316,745	665,014	-	-
Prepays	2,375,374	53,258	2,428,632	-	-
Restricted assets:					
Cash and cash equivalents	-	1,707,178	1,707,178	543,564	-
Capital assets not being depreciated:					
Land	16,399,152	3,586,401	19,985,553	-	-
Construction in progress	32,777,672	4,645,067	37,422,739	-	-
Capital assets net of accumulated depreciation:					
Building	20,606,514	5,536,319	26,142,833	-	-
Improvements other than buildings	67,478,969	62,238,136	129,717,105	-	-
Equipment	12,667,457	3,617,857	16,285,314	166,841	101,183
Infrastructure	239,997,031	-	239,997,031	-	-
Total assets	650,133,132	110,964,593	761,097,725	811,747	409,855
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on debt refundings	932,547	-	932,547	-	-
Deferred outflows related to net pension liab	7,511,329	289,285	7,800,614	114,625	-
Deferred outflows related to OPEB	2,356,501	371,409	2,727,910	-	-
	10,800,377	660,694	11,461,071	114,625	-
LIABILITIES					
Accounts payable & other current liabilities	24,384,631	2,740,811	27,125,442	105,227	1,416
Liabilities payable from restricted assets	-	1,707,178	1,707,178	-	-
Noncurrent liabilities:					
Claims payable within one year	8,323,939	-	8,323,939	-	-
Claims payable in more than one year	2,276,200	-	2,276,200	-	-
Due within one year	6,365,494	5,000	6,370,494	-	-
Due in more than one year	44,811,530	694,261	45,505,791	-	-
OPEB payable due in more than one year	7,257,001	1,061,087	8,318,088	-	-
Net pension liability due in more than one year	38,098,551	3,034,445	41,132,996	665,375	-
Total liabilities	131,517,346	9,242,782	140,760,128	770,602	1,416
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to net pension liab	21,696,675	1,036,572	22,733,247	6,390	-
Deferred inflows related to OPEB	15,856	2,178	18,034	-	-
	21,712,531	1,038,750	22,751,281	6,390	-
NET POSITION					
Net investment in capital assets	342,957,988	79,623,780	422,581,768	166,841	101,183
Restricted for:					
Capital projects	26,122,096	-	26,122,096	553,314	-
Debt service	4,543,542	-	4,543,542	-	-
Unrestricted	134,080,006	21,719,975	155,799,981	(570,775)	307,256
Total net position	\$ 507,703,632	\$ 101,343,755	\$ 609,047,387	\$ 149,380	\$ 408,439

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE CHARLES, LOUISIANA

Statement of Activities

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-Type Activities	Total	City Court	City Marshal
Primary government:									
Governmental activities:									
General government	\$ 6,403,592	\$ 6,849,965	\$ 929,226	\$ 200,787	\$ 1,576,386	\$ -	\$ 1,576,386	\$ -	\$ -
Public safety	37,981,928	41,108	6,779,298	-	(31,161,522)	-	(31,161,522)	-	-
Public works	113,640,107	10,604,922	82,851,381	13,661,683	(6,522,121)	-	(6,522,121)	-	-
Planning and development	2,881,961	157,279	398,263	-	(2,326,419)	-	(2,326,419)	-	-
General services	8,467,245	-	1,172,673	-	(7,294,572)	-	(7,294,572)	-	-
Community services	8,005,324	50,048	16,782,084	404,892	9,231,700	-	9,231,700	-	-
Interest in long-term debt	1,406,245	-	-	-	(1,406,245)	-	(1,406,245)	-	-
Total governmental activities	178,786,402	17,703,322	108,912,925	14,267,362	(37,902,793)	-	(37,902,793)	-	-
Business-type activities:									
Civic center	4,061,374	194,362	2,041,850	1,116,153	-	(709,009)	(709,009)	-	-
Golf Course	1,538,622	11,785	-	-	-	(1,526,837)	(1,526,837)	-	-
Transit	3,816,851	138,418	3,096,887	440,897	-	(140,649)	(140,649)	-	-
Water	11,262,743	11,740,967	-	1,123,229	-	1,601,453	1,601,453	-	-
Total business-type activities	20,679,590	12,085,532	5,138,737	2,680,279	-	(775,042)	(775,042)	-	-
Total primary government	\$ 199,465,992	\$ 29,788,854	\$ 114,051,662	\$ 16,947,641	\$ (37,902,793)	\$ (775,042)	\$ (38,677,835)	\$ -	\$ -
Component units:									
City Court	\$ 1,969,505	\$ 65,644	\$ 1,211,461	\$ 91,515	\$ -	\$ -	\$ -	\$ (600,885)	\$ -
City Marshal	1,206,665	971,809	-	-	-	-	-	-	(234,856)
Total component units	\$ 3,176,170	\$ 1,037,453	\$ 1,211,461	\$ 91,515	-	-	-	\$ (600,885)	\$ (234,856)
General revenues:									
Property taxes					10,742,317	-	10,742,317	-	-
Sales taxes					82,759,394	-	82,759,394	-	-
Franchise taxes					5,237,424	-	5,237,424	-	-
Riverboat taxes					7,844,826	-	7,844,826	-	-
Grants and contributions not restricted to specific programs					206,307	-	206,307	-	-
Interest and investment earnings					624,185	79,068	703,253	4,375	-
Miscellaneous					2,301,588	-	2,301,588	23,871	-
Transfers					(1,033,408)	1,033,408	-	-	-
Total general revenues and transfers					108,682,633	1,112,476	109,795,109	28,246	-
Change in net position					70,779,840	337,434	71,117,274	(572,639)	(234,856)
Net position - beginning					436,923,792	101,006,321	537,930,113	722,019	643,296
Net position - ending					\$ 507,703,632	\$ 101,343,755	\$ 609,047,387	\$ 149,380	\$ 408,440

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE CHARLES, LOUISIANA

Balance Sheet Governmental Funds September 30, 2021

	General	Disaster Recovery Special Revenue	Riverboat Gaming Special Revenue
ASSETS			
Cash (Note 4-A)	\$ 21,207,442	\$ -	\$ -
Investments (Note 4-A)	16,475,202	-	605,967
Receivable (net of allowance for uncollectable)			
Accounts (Note 4-B)	8,000,797	1,770,000	-
Special Assessments	-	-	-
Accrued interest	3,500	-	-
Intergovernmental (Note 4-B)	115,806	44,496,444	442,193
Due from other funds (Note 4-F)	41,392	2,400,000	44,825
Inventory	348,269	-	-
Prepaid items	108,859	6,000	-
Total assets	<u>\$ 46,301,267</u>	<u>\$ 48,672,444</u>	<u>\$ 1,092,985</u>
LIABILITIES			
Accounts payable	\$ 3,190,191	\$ 17,137,430	\$ 873,935
Contracts payable	19,676	571,190	-
Escrow	1,162,111	-	-
Due to other funds	4,067,622	-	35,000
Unearned revenue	-	-	-
Other liabilities	13,526	-	-
Total liabilities	<u>8,453,126</u>	<u>17,708,620</u>	<u>908,935</u>
FUND BALANCES			
Nonspendable:			
Inventory	348,269	-	-
Prepaid items	108,859	6,000	-
Restricted:			
Sales tax and bond funds for capital projects	-	-	-
Debt service reserve	-	-	-
Committed :			
Capital projects	-	-	-
Wastewater system improvements	-	-	-
Debt service payments	-	-	-
Other purposes - subsequent year's expenditures	4,485,828	30,957,824	-
Assigned:			
Community services	-	-	-
Public safety	-	-	-
Capital projects	-	-	184,050
Unassigned	32,905,185	-	-
Total fund balances	<u>37,848,141</u>	<u>30,963,824</u>	<u>184,050</u>
Total liabilities and fund balances	<u>\$ 46,301,267</u>	<u>\$ 48,672,444</u>	<u>\$ 1,092,985</u>

The notes to the financial statements are an integral part of this statement.

Wastewater Special Revenue	Debt Service	Capital Projects	Other Special Revenue Governmental Funds	Total Governmental Funds
\$ 2,444,938	\$ 4,548,479	\$ 92,792,366	\$ 5,727,560	\$ 126,720,785
644,867	26,583	20,064,899	1,365,693	39,183,211
2,542,546	-	1,059,732	440,229	13,813,304
-	-	196,865	-	196,865
-	-	5,645	-	9,145
-	122,177	707,885	142,980	46,027,485
-	-	2,000,000	41,739	4,527,956
-	-	-	-	348,269
39,808	-	95,000	14,371	264,038
<u>\$ 5,672,159</u>	<u>\$ 4,697,239</u>	<u>\$ 116,922,392</u>	<u>\$ 7,732,572</u>	<u>\$ 231,091,058</u>
\$ 425,623	\$ -	\$ 137,375	\$ 191,080	\$ 21,955,634
-	-	585,091	-	1,175,957
10,597	-	-	19,153	1,191,861
1,929	-	-	81,748	4,186,299
-	-	95,000	5,500	100,500
-	-	-	-	13,526
<u>438,149</u>	<u>-</u>	<u>817,466</u>	<u>297,481</u>	<u>28,623,777</u>
-	-	-	-	348,269
39,808	-	95,000	14,371	264,038
-	-	26,122,096	-	26,122,096
-	4,543,542	-	-	4,543,542
-	-	79,984,212	-	79,984,212
4,760,071	-	9,658,155	-	14,418,226
-	153,697	-	-	153,697
434,131	-	-	2,977,291	38,855,074
-	-	-	1,643,766	1,643,766
-	-	-	654,367	654,367
-	-	245,463	2,145,296	2,574,809
-	-	-	-	32,905,185
<u>5,234,010</u>	<u>4,697,239</u>	<u>116,104,926</u>	<u>7,435,091</u>	<u>202,467,281</u>
<u>\$ 5,672,159</u>	<u>\$ 4,697,239</u>	<u>\$ 116,922,392</u>	<u>\$ 7,732,572</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	389,915,956
Other long-term assets are not available to pay for current-period expenditures.	100,500
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	22,142,922
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds.	(96,010,873)
Deferred outflows and inflows of resources are not available to pay current period expenditures and therefore are not reported in the government funds	(10,912,154)
Net position of governmental activities	<u>\$ 507,703,632</u>

CITY OF LAKE CHARLES, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For Fiscal Year Ended September 30, 2021

	<u>General</u>	<u>Disaster Recovery Special Revenue</u>	<u>Riverboat Gaming Special Revenue</u>
Revenues:			
Taxes	\$ 75,682,331	\$ -	\$ 7,844,826
Licenses and permits	6,937,495	-	-
Intergovernmental	3,288,965	60,603,562	-
Charges for services	2,585,762	-	-
Fines and forfeitures	231,726	-	-
Miscellaneous	1,054,684	44,535,191	12,955
Total revenues	<u>89,780,963</u>	<u>105,138,753</u>	<u>7,857,781</u>
Expenditures:			
Current operating:			
General government	3,763,436	172,047	-
Finance	1,885,244	76,824	-
Human Resources	396,814	1,897	-
Fire	18,480,718	1,242,842	-
Police	19,843,401	1,442,836	-
Public works	15,305,796	71,457,597	-
Planning and development	2,487,412	4,200	-
Community services	-	10,487,929	-
General services	5,203,721	4,587,605	-
Capital projects	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>67,366,542</u>	<u>89,473,777</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>22,414,421</u>	<u>15,664,976</u>	<u>7,857,781</u>
Other financing sources (uses):			
Transfers in	-	10,200,000	-
Transfers out	(14,923,432)	(199,567)	(8,950,175)
Total other financing sources (uses)	<u>(14,923,432)</u>	<u>10,000,433</u>	<u>(8,950,175)</u>
Net change in fund balances	7,490,989	25,665,409	(1,092,394)
Fund balance at beginning of year	<u>30,357,152</u>	<u>5,298,415</u>	<u>1,276,444</u>
Fund balance at end of year	<u>\$ 37,848,141</u>	<u>\$ 30,963,824</u>	<u>\$ 184,050</u>

The notes to the financial statements are an integral part of this statement.

Wastewater Special Revenue	Debt Service	Capital Projects	Other Special Revenue Governmental Funds	Total Governmental Funds
\$ 5,248,160	\$ -	\$ 9,184,281	\$ 6,030,749	\$ 103,990,347
-	-	-	-	6,937,495
-	200,787	11,013,644	684,633	75,791,591
10,591,306	-	39	3,716	13,180,823
-	-	-	-	231,726
43,595	10,568	707,836	66,815	46,431,644
<u>15,883,061</u>	<u>211,355</u>	<u>20,905,800</u>	<u>6,785,913</u>	<u>246,563,626</u>
-	-	-	-	3,935,483
-	-	-	-	1,962,068
-	-	-	-	398,711
-	-	-	-	19,723,560
-	-	-	552,913	21,839,150
9,959,382	-	-	-	96,722,775
-	-	-	407,058	2,898,670
-	-	-	3,296,585	13,784,514
-	-	-	4,158	9,795,484
79,991	-	19,122,590	-	19,202,581
-	7,479,854	-	-	7,479,854
-	1,715,604	-	-	1,715,604
<u>10,039,373</u>	<u>9,195,458</u>	<u>19,122,590</u>	<u>4,260,714</u>	<u>199,458,454</u>
<u>5,843,688</u>	<u>(8,984,103)</u>	<u>1,783,210</u>	<u>2,525,199</u>	<u>47,105,172</u>
319,000	8,550,272	14,725,000	596,912	34,391,184
(5,141,418)	-	(2,385,000)	(1,825,000)	(33,424,592)
<u>(4,822,418)</u>	<u>8,550,272</u>	<u>12,340,000</u>	<u>(1,228,088)</u>	<u>966,592</u>
1,021,270	(433,831)	14,123,210	1,297,111	48,071,764
<u>4,212,740</u>	<u>5,131,070</u>	<u>101,981,716</u>	<u>6,137,980</u>	<u>154,395,517</u>
<u>\$ 5,234,010</u>	<u>\$ 4,697,239</u>	<u>\$ 116,104,926</u>	<u>\$ 7,435,091</u>	<u>\$ 202,467,281</u>

CITY OF LAKE CHARLES, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For Fiscal Year Ended September 30, 2021

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

Net change in fund balances - total governmental funds	\$ 48,071,764
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	10,175,055
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(9,500)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	8,171,455
Net effect of pension liability recognition	6,872,545
Net effect of OPEB liability recognition	(605,118)
Deferred charge on debt refunding, net current year amortization	(168,339)
Internal service funds are used by management to charge the costs of insurance to individual funds. The net expenses of certain activities of internal service funds is reported within the governmental activities.	<u>(1,728,022)</u>
Change in net position of governmental activities	<u><u>\$ 70,779,840</u></u>

The notes to the financial statements are an integral part of this statement.

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CITY OF LAKE CHARLES, LOUISIANA

Statement of Net Position

Proprietary Funds

September 30, 2021

	Business-type Activities-Enterprise Funds					Governmental Activities - Internal Service Funds
	Civic Center	Golf Course	Public Transit	Water Utility	Totals 2021	
ASSETS						
Current assets:						
Cash	\$ 3,118,431	\$ 1,056,968	\$ -	\$ 9,497,902	\$ 13,673,301	\$ 26,551,988
Investments	2,201,899	-	41,927	10,060,748	12,304,574	4,413,101
Restricted cash:						
Customer deposits	-	-	-	1,707,178	1,707,178	-
Accounts receivable (net of allowance for uncollectible)	17,016	-	-	1,934,827	1,951,843	606,401
Accrued interest receivable	-	-	-	-	-	-
Intergovernmental receivables	-	-	1,294,323	-	1,294,323	-
Due from other funds	-	549,121	143,262	-	692,383	-
Inventories	22,915	14,022	-	279,808	316,745	-
Prepaid items	44,488	2,857	2,363	3,550	53,258	2,111,336
Total current assets	5,404,749	1,622,968	1,481,875	23,484,013	31,993,605	33,682,826
Capital assets:						
Land	-	1,065,697	806,824	1,713,880	3,586,401	-
Buses	-	-	4,580,952	-	4,580,952	-
Buildings and structures	18,768,595	2,095,826	4,973,499	452,792	26,290,712	-
Improvements	18,500,156	2,789,915	134,089	95,626,256	117,050,416	-
Construction in Progress	82,675	1,362,033	-	3,200,359	4,645,067	-
Equipment, furniture and fixtures	3,049,616	380,363	1,427,038	2,474,303	7,331,320	57,619
Total capital assets	40,401,042	7,693,834	11,922,402	103,467,590	163,484,868	57,619
Less accumulated depreciation	34,188,828	3,079,092	4,832,248	41,760,920	83,861,088	46,781
Total capital assets (net of accumulated depreciation)	6,212,214	4,614,742	7,090,154	61,706,670	79,623,780	10,838
Total assets	11,616,963	6,237,710	8,572,029	85,190,683	111,617,385	33,693,664
DEFERRED OUTFLOW OF RESOURCES						
Deferred amounts related to net pension liabilities	56,317	26,042	45,285	161,641	289,285	30,019
Deferred amounts related to OPEB liabilities	70,469	42,818	52,453	205,669	371,409	17,767
Total deferred outflow of resources	126,786	68,860	97,738	367,310	660,694	47,786

	Business-type Activities-Enterprise Funds					Governmental Activities - Internal Service Funds
	Civic Center	Golf Course	Public Transit	Water Utility	Totals 2021	
LIABILITIES						
Current liabilities :						
Accounts payable	38,335	241,737	1,225,961	1,092,178	2,598,211	47,653
Contracts payable	2,997	57,894	-	67,427	128,318	-
Customer deposits payable	-	-	-	1,707,178	1,707,178	-
Escrow	13,283	999	-	-	14,282	-
Due to other funds	254	-	-	1,033,781	1,034,035	4
Total current liabilities	54,869	300,630	1,225,961	3,900,564	5,482,024	47,657
Non-current liabilities:						
Compensated absences	125,619	58,260	105,988	409,394	699,261	143,968
OPEB liability	185,139	126,733	154,590	594,625	1,061,087	62,853
Net pension liability	590,741	273,168	475,016	1,695,520	3,034,445	314,882
Accrued insurance claims	-	-	-	-	-	7,998,939
Incurred-not reported claims	-	-	-	-	-	325,000
Accrued insurance claims-noncurrent	-	-	-	-	-	2,276,200
Total non-current liabilities	901,499	458,161	735,594	2,699,539	4,794,793	11,121,842
Total liabilities	956,368	758,791	1,961,555	6,600,103	10,276,817	11,169,499
DEFERRED INFLOW OF RESOURCES						
Deferred amounts related to net						
Pension Liabilities	201,797	93,315	162,266	579,194	1,036,572	107,565
OPEB	287	144	409	1,338	2,178	133
Total Deferred Inflos of Resource	202,084	93,459	162,675	580,532	1,038,750	107,698
	956,655					
NET POSITION						
Net investment in capital assets	6,212,214	4,614,742	7,090,154	61,706,670	79,623,780	10,838
Unrestricted	4,373,083	839,578	(544,617)	16,670,688	21,338,732	22,453,415
Total net position	\$ 10,585,297	\$ 5,454,320	\$ 6,545,537	\$ 78,377,358	100,962,512	\$ 22,464,253
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					381,243	
Net position of business-type activities					\$ 101,343,755	

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE CHARLES, LOUISIANA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2021

	Business-type	
	Civic Center	Golf Course
Operating revenues:		
Charges for services	\$ 168,835	\$ -
Other	25,527	11,785
Total operating revenues	<u>194,362</u>	<u>11,785</u>
Operating expenses:		
Personal services	822,037	505,490
Materials and supplies	76,560	344,204
Maintenance	224,205	111,746
Utilities	205,260	46,875
Transportation	-	-
General and administration	239,903	223,491
Claims and losses paid	-	-
Depreciation	1,172,842	211,563
Total operating expenses	<u>2,740,807</u>	<u>1,443,369</u>
Operating income (loss)	<u>(2,546,445)</u>	<u>(1,431,584)</u>
Nonoperating revenues (expenses):		
Operating grants-governmental agencies	2,041,850	-
Interest	15,093	5,232
Gain (loss) on retirement, impairment, or transfer of capital assets	(1,323,689)	(96,495)
Other	-	-
Total nonoperating revenues	<u>733,254</u>	<u>(91,263)</u>
Income (loss) before operating transfers	<u>(1,813,191)</u>	<u>(1,522,847)</u>
Capital contributions and transfers:		
Capital contributions - governmental agencies	1,116,153	-
Transfers in (out)	28,965	1,538,220
Total capital contributions and transfers	<u>1,145,118</u>	<u>1,538,220</u>
Change in net position	<u>(668,073)</u>	<u>15,373</u>
Net position at beginning of year - as restated	<u>11,253,370</u>	<u>5,438,947</u>
Net position at end of year	<u><u>\$ 10,585,297</u></u>	<u><u>\$ 5,454,320</u></u>

The notes to the financial statements are an integral part of this statement.

Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
Public Transit	Water Utility	Totals 2021	
\$ 47,237	\$ 10,241,236	\$ 10,457,308	\$ 16,038,506
91,181	530,576	659,069	796,978
138,418	10,771,812	11,116,377	16,835,484
1,069,722	3,678,857	6,076,106	1,405,406
172,863	1,267,962	1,861,589	30,959
206,108	400,188	942,247	-
50,228	1,078,279	1,380,642	-
89,393	-	89,393	-
1,610,899	2,599,893	4,674,186	2,004,998
-	-	-	13,203,382
630,794	2,232,884	4,248,083	4,335
3,830,007	11,258,063	19,272,246	16,649,080
(3,691,589)	(486,251)	(8,155,869)	186,404
3,096,887	-	5,138,737	-
252	58,491	79,068	118,018
-	(18,973)	(1,439,157)	-
-	968,524	968,524	-
3,097,139	1,008,042	4,747,172	118,018
(594,450)	521,791	(3,408,697)	304,422
440,897	1,123,229	2,680,279	-
129,500	(663,277)	1,033,408	(2,000,000)
570,397	459,952	3,713,687	(2,000,000)
(24,053)	981,743	304,990	(1,695,578)
6,569,590	77,395,615		24,159,831
\$ 6,545,537	\$ 78,377,358		\$ 22,464,253
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds		32,444	
Change in net position of business-type activities		\$ 337,434	

CITY OF LAKE CHARLES, LOUISIANA

Statement of Cash Flows

Proprietary Funds

Fiscal Year Ended September 30, 2021

	Civic Center
Cash flows from operating activities:	
Receipts from customers	\$ 194,482
Receipts from interfund charges for risk management services	-
Payments to employees	(875,971)
Payments to suppliers	(805,549)
Internal activity - payments from other funds	-
Internal activity - payments to other funds	(52,968)
Net cash provided by operating activities	<u>(1,540,006)</u>
Cash flow from noncapital financing activities:	
Operating subsidies	-
Shared revenue from governmental agencies	2,041,850
Net cash provided by noncapital financing activities	<u>2,041,850</u>
Cash flows from capital and related financing activities:	
Purchases/sale of capital assets	-
Contracts payable	(42,950)
Capital subsidies from governmental agencies - current year	1,116,153
Capital improvement fee	-
Capital transfers	-
Net cash provided (used for) capital and related financing activities	<u>1,073,203</u>
Cash flow from investing activities:	
Purchase of investment securities	(1,319)
Proceeds from sale and maturities of investment securities	-
Interest on investments	15,092
Net cash provided (used for) investing activities	<u>13,773</u>
Net increase (decrease) in cash and cash equivalents	1,588,820
Cash and cash equivalents at beginning of year	1,529,611
Cash and cash equivalents at end of year	<u>\$ 3,118,431</u>
Reconciliation of operating (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (2,546,445)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	1,172,842
(Increase) decrease in accounts receivable	120
(Increase) decrease in due from other funds	-
(Increase) decrease in inventories	(4,634)
(Increase) decrease in prepaid items	(386)
(Increase) decrease in deferred outflows of resources related to NP liability	115,264
(Increase) decrease in deferred outflows of resources related to OPEB liability	7,628
Increase (Decrease) in accounts payables	(60,280)
Increase (Decrease) in miscellaneous payables	3,271
Increase (Decrease) in customer deposit account	-
Increase (Decrease) in compensated absences payable	(448)
Increase (Decrease) in OPEB liability	3,772
Increase (Decrease) in NP liability	(363,767)
Increase (Decrease) in due deferred inflows of resources NP liability	185,738
Increase (Decrease) in due deferred inflows of resources OPEB	287
Increase (Decrease) in due to other funds	(52,968)
Total adjustments	<u>1,006,439</u>
Net cash provided (used) by operating activities	<u>\$ (1,540,006)</u>

Noncash investing and capital activities:

Assets transferred cost \$21,677 and had accumulated depreciation of \$11,200, loss of \$10,477.

Assets retired/impaired cost \$3,540,014 and had accumulated depreciation of \$2,110,704, loss of \$1,429,310.

Change in the fair value of investments resulted in an unrealized gain of \$1,993 at year end 2021 and an unrealized gain of \$4,307 at year end 2020.

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
Golf Course	Transit	Water Utility	Totals 2021	
\$ 11,785	\$ 146,937	\$ 10,912,812	\$ 11,266,016	\$ 1,167,520
-	-	-	-	15,610,171
(548,151)	(1,107,954)	(3,788,116)	(6,320,192)	(1,452,125)
(535,857)	(2,080,316)	(5,385,316)	(8,807,038)	(15,023,052)
-	-	1,032,172	1,032,172	4
(599,216)	(237,056)	-	(889,240)	-
(1,671,439)	(3,278,389)	2,771,552	(3,718,282)	302,518
1,517,841	-	316,000	1,833,841	-
-	3,338,240	-	5,380,090	-
1,517,841	3,338,240	316,000	7,213,931	-
(107,835)	-	(22,806)	(130,641)	-
(1,310,231)	(501,673)	(5,120,482)	(6,975,336)	-
-	441,595	-	1,557,748	-
-	-	968,524	968,524	-
-	-	(1,000,000)	(1,000,000)	-
(1,418,066)	(60,078)	(5,174,764)	(5,579,705)	-
-	(25)	(6,027)	(7,371)	(2,643)
-	-	3,223,007	3,223,007	5,000,000
5,232	252	60,748	81,324	118,176
5,232	227	3,277,728	3,296,960	5,115,533
(1,566,432)	-	1,190,516	1,212,904	5,418,051
2,623,400	-	10,014,563	14,167,574	23,133,937
\$ 1,056,968	\$ -	\$ 11,205,079	\$ 15,380,478	\$ 28,551,988
\$ (1,431,584)	\$ (3,691,589)	\$ (486,251)	\$ (8,155,869)	\$ 186,404
211,563	630,794	2,232,884	4,248,083	4,335
-	8,519	251,506	260,145	(57,793)
(549,121)	(143,262)	-	(692,383)	-
7,425	-	(9,200)	(6,409)	-
(2,857)	(272)	(329)	(3,844)	(1,354,673)
53,300	92,684	330,827	592,075	61,439
3,814	10,855	35,498	57,795	3,520
175,418	61,851	(8,171)	168,818	4,561
-	-	-	3,271	1,559,699
-	-	(110,505)	(110,505)	-
(9,009)	(16,798)	(3,137)	(29,392)	(11,958)
1,886	5,367	15,892	26,917	1,741
(168,211)	(292,505)	(1,044,070)	(1,868,553)	(193,898)
85,888	149,352	533,098	954,076	99,004
144	409	1,338	2,178	133
(50,095)	(93,794)	1,032,172	835,315	4
(239,855)	413,200	3,257,803	4,437,587	116,114
\$ (1,671,439)	\$ (3,278,389)	\$ 2,771,552	\$ (3,718,282)	\$ 302,518

NOTES TO FINANCIAL STATEMENTS

CITY OF LAKE CHARLES, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Lake Charles, Louisiana (the City) was incorporated in 1867, and operates under a home rule charter, which became effective in 1961. The City utilizes the Mayor-Council form of government and provides a full range of municipal services under a centralized system of administration.

The accounting and financial reporting policies of the City conform to generally accepted accounting principles as applicable to governments. Such policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audit of State and Local Governmental Units. Following is a summary of the more significant accounting policies.

The accompanying financial statements include all funds, which are directly controlled by the City, and which constitute the primary government as defined for financial reporting purposes. In accordance with generally accepted accounting principles, this report also includes component units, which are legally separate from the City but considered to be fiscally dependent on the primary government. Component units are discretely presented in this report, are reported for periods and balance sheet dates which differ from the City's, and have been separately audited. Further disclosures concerning such units are provided below.

Discretely Presented Component Units

Financial data of component units is displayed on the Statement of Net Position and Statement of Activities. The reported component units are as follows:

City Court of Lake Charles:

This entity is created by state statutes, which provide for its governance by independently elected officials and has a jurisdictional area extending beyond the corporate limits of the City. Although legally separate, City Court is fiscally dependent upon the government because of the statutory requirements that the City provides and maintains the physical facilities necessary for its operation. The relationship between the City and City Court is such that exclusion would cause the City's financial statements to be incomplete. Financial data reported for the City Court component unit is from its separately audited financial statements for the fiscal year ended December 31, 2020.

Ward Three Marshal:

The office of Ward Three Marshal, which is governed by an independently elected official, is created in the same statutory manner as City Court and has a corresponding area of jurisdiction. Although legally separate, the office of Ward Three Marshal is fiscally dependent upon the government because of the statutory requirements that the City provides and maintains the physical facilities necessary for its operation. The relationship between the Marshal and the City is such that exclusion would cause the City's financial statements to be incomplete. Financial data reported for this component unit are from its separately audited financial report for the year ended December 31, 2020. Complete financial statements of the individual component units are available from the City of Lake Charles at 326 Pujoe Street, Lake Charles, Louisiana 70601.

NOTES TO FINANCIAL STATEMENTS

B. Government-wide and Fund Financial Statement

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and the intergovernmental revenues, are reported separately from business-type activities, which rely primarily on charges for services for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and 2) 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 as general revenues.

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

C. Measurement Focus and Basis of Accounting in the Basic Financial Statement

The government-wide financial statement of net position and statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions should be recognized in accordance with the requirements of Section N50, Non-exchange Transactions.

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

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

Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Governmental funds are, in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the difference between governmental fund assets and deferred outflow of resources, and liabilities and deferred inflow of resources is referred to as "Fund Balance."

NOTES TO FINANCIAL STATEMENTS

The City of Lake Charles reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund.

Disaster Recovery Fund – This fund accounts for the receipt of insurance reimbursements, federal funds and other miscellaneous revenues received in connection with disasters and the related expenditures of such funds in the City's efforts to recover from such disasters.

Riverboat Gaming Special Revenue Fund – This fund accounts for receipt and subsequent expenditure or transfer of revenue from casino riverboat admissions taxes and other gaming.

Wastewater Fund – This fund accounts for the receipt and subsequent expenditure of dedicated sales taxes, sewer use charges, and other current charges dedicated to operations, maintenance and improvement of the City's sanitary sewerage system.

Debt Service Fund – This fund is used to account for the accumulation of resources and the payments made for principal, interest, and related costs on long-term debt obligations of governmental funds. The primary source of revenue is transfers in from other funds as mandated by law or City policy.

Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Revenues include 28 percent of one percent sales tax dedicated to capital improvements and various intergovernmental revenues.

The City of Lake Charles reports the following proprietary funds:

Civic Center – This fund accounts for the activities of the Lake Charles Civic Center.

Golf Course – This fund accounts for the activities of Mallard Cove Golf Course.

Transit Fund – This fund accounts for the operation of the City's transit system.

Water Fund – This fund accounts for the operation of the City's water system.

The City of Lake Charles reports the following additional fund type:

Internal Service Funds - Internal Service Funds are used to account for the insurance needs provided to other departments of the City, or to other governments, on a cost reimbursement basis.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The intent of the governing body is that the costs (expenses) of providing goods or services to the general

NOTES TO FINANCIAL STATEMENTS

public on a continuing basis be financed or recovered primarily through user charges and are reported as program revenues.

Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All other revenues and expenses are reported as non-operating revenues and expenses.

D. Assets, Liabilities and Net Position

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City's investment program is authorized and limited by state statute and city ordinances to purchases of securities issued or guaranteed by the U.S. Government and its agencies or instrumentalities and participation in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool equivalent to a money market fund. LAMP invests in short-term instruments permitted by statute.

Investments for the government, its component units and for LAMP are reported at fair value.

2. Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables, including those for grass cutting and demolition assessments in the governmental funds and water and sewer charges in the enterprise funds, are shown net of an allowance for uncollectables. The allowance for estimated uncollectable receivables is established based on historical collection experience and other relevant circumstances.

There appears to be concentration of credit-risk with regard to general accounts receivable and, more specifically, accounts receivable for water and sewer user fees in the Wastewater Special Revenue Fund and the Water Utility Enterprise Fund. The City's ability to collect the amounts due from the users of the City water and sewer system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster or other calamity in this one concentrated geographic location.

The City property taxes must be levied by December 1 of each year. Property taxes are due by December 31 and are delinquent by January 1. Delinquent property taxes are assessed interest at one and one-quarter percent per month for the period of delinquency. Property owners with taxes still delinquent by March 1 are notified by certified mail that they have twenty days to pay delinquent property taxes. The lien date is the date in which the tax assessor files the tax roll with the Clerk of Court, which is the same as the levy date. Sale of delinquent properties is held each year as soon as possible after May 1. Most taxes are collected in December, January and February.

3. Inventories and Unpaid Items

Inventory is valued at average cost. Inventory in the General Fund consists of materials and supplies held for consumption and are accounted for under the consumption method where expenditures are recorded when the goods are used. Inventories are also held in the enterprise funds. These consist of concession supplies held for sale to the public and materials held for

NOTES TO FINANCIAL STATEMENTS

water system maintenance and improvements. Certain payments made to vendors are for services that will benefit subsequent periods, and, using the consumption method, these expenses are recorded as prepaid items in fiscal year 2021 in both the governmental-wide and fund financial statements.

4. Restricted Assets

Customer deposits in the Water Enterprise Fund are classified as restricted assets on the balance sheet because their use is limited to repayment of deposits to qualified customers or upon termination of service.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are often financed on a pay-as-go basis. However, the City has incurred debt for the construction of sewer treatment facility and issued bonds to fund capital improvements, such as roads, water, sewer, recreation and downtown development activities. All current bonded debt will be repaid by 2027.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20
Improvements other than buildings	20
Public Domain infrastructure	10 – 50
System infrastructure	10 – 50
Machinery and equipment	7

6. Compensated Absences

It is the government's policy to permit employees to accumulate earned, but unused, vacation pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. There was \$1,285 recorded in the governmental fund statements as a payable to employees who had terminated as of the end of the fiscal year on September 30, 2021.

Vacation is based on the number of years of service and is earned as follows:

First four years	10 days
Five to nine years	15 days
Ten to nineteen years	20 days
Nineteen years and over	25 days

NOTES TO FINANCIAL STATEMENTS

Sick pay is based on the number of years of service and is carried as follows:

First three years	8 hours per month
Four years and over	12 hours per month

Sick pay is not vested except at retirement or 20 year of service, where accumulated sick pay hours up to six hundred (600) are payable to qualified employees. The termination payment liability was calculated by developing a ratio based on historical data of sick leave paid at termination compared with sick leave accumulated and by applying that ratio to the sick leave accumulated by the current employee population as of September 30, 2021. Because there was no current liability at the end of the fiscal year, all estimated termination payment liability is recorded in the government-wide and proprietary fund financial statements.

City employees may receive compensatory time off with pay in lieu of overtime pay for work in excess of regular scheduled hours. Accumulation of unused compensatory time is limited, and any unused or unpaid portion is payable upon separation from employment. Compensatory time is accrued when incurred in the government-wide and proprietary funds financial statements. There was no current portion of compensatory time recorded in the governmental fund statement at September 30, 2021.

At September 30, 2021 the total liability reported on the Statement of Net Position for accrued vacation, sick and compensatory time was \$4,451,630 for Governmental Activities, which includes \$143,968 from the Internal Service Funds. The amount recorded in Business-Type Activities equaled \$699,261.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has items that qualify for reporting in this category. It has deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the life of the refunded debt. The \$932,547 balance of deferred outflows of resources related to bond refunding will be recognized as interest expense over the remaining life of the bonds. The City also has deferred outflow of resources related to net pension liability of \$7,800,614. The City also has deferred outflow of resources related to OPEB liability of \$2,727,910.

The statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has reported deferred inflows related to the net pensions liability in the amount of \$22,733,247. The City also has deferred inflow of resources related to OPEB liability of \$18,034.

Additional information on deferred outflows/inflows of resources related to both defined benefit pension plans as well as postemployment benefits other than pension plans (OPEB) can be found in Note 5.

NOTES TO FINANCIAL STATEMENTS

8. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize principal payments during the current period. The face amount of debt issued is reported as other financing sources.

9. Fund Equity

In accordance with Government Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City of Lake Charles classifies governmental fund balances as follows:

Non-spendable – Includes fund balance amounts that cannot be spent either because they are not in a spendable form or because of legal or contractual constraints.

Restricted – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained or due to constitutional provisions or enabling legislation. Any deviation from the specific purpose must be approved by the original third party whether that is the electorate or grantor.

Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority (the City Council) and does not lapse at year end. Formal action by the same authority is required to rescind such a commitment. A separate city ordinance adopted by the City Council is required to modify a previous commitment of fund balance.

Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balances may be assigned by action of the Mayor, an ordinance of the City Council, or adoption of the budget and generally only exists temporarily. A similar action or amendment is necessary to remove or revise the limitation.

Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and when applicable, negative fund balances in other governmental funds.

All of these items are included as elements of net position on the government-wide statement.

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balances are available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are incurred.

It is the City's policy to maintain a minimum fund balance of 30 percent of operating expenditures and operating transfers in the General Fund.

NOTES TO FINANCIAL STATEMENTS

2. Reconciliation of Government-Wide Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

The governmental fund balance sheet includes a reconciliation between fund balance of total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains “long term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.”

The details of this \$96,010,873 difference are as follows:

2014 LCDA Refunding Bonds payable	\$ 11,590,000
Premium on 2014 LCDA Refunding Bonds payable (to be amortized over the life of the debt)	435,758
2017 LCDA Refunding Bonds payable	18,200,000
Premium on 2017 LCDA Refunding Bonds payable (to be amortized over the life of the debt)	2,212,637
Compensated absences	4,307,661
Other post employee benefits (OPEB) payable	7,194,147
Net pension liability	37,783,669
LC City Court building project	825,000
DEQ loan -- sewer plant rehabilitation	13,462,001
Net adjustment to reduce fund balance-total governmental funds to arrive at net position-governmental activities	<u>\$ 96,010,873</u>

Deferred outflows and inflows of resources are not available to pay current period expenditures, therefore are not reported in the governmental funds. The details of this \$10,912,154 difference are as follows:

Deferred outflows on charges on bond refunds	\$ 932,547
Deferred outflows of resources - related to net pension liability	7,511,329
Deferred outflows of resources - related to OPEB	2,356,501
Deferred inflows of resources - related to net pension liability	(21,696,675)
Deferred inflows of resources - related to OPEB	(15,856)
Net adjustment to increase fund balance to arrive at net position - governmental activities	<u>\$ (10,912,154)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

NOTES TO FINANCIAL STATEMENTS

The details of the \$10,175,055 are as follows:

Capital outlays	\$ 31,101,730
Depreciation expense	(20,167,588)
Loss on retirement of capital assets	(759,087)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 10,175,055</u>

Another element of that reconciliation states that, “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$8,171,455 are as follows:

Principal repayment:	
2009 Revenue refunding bonds	\$ 1,750,000
2014 LCDA public improvement refunding bonds	170,000
2017 LCDA public improvement refunding bonds	4,225,000
Compensated absences	252,758
Proceeds from premium on 2009 Revenue refunding bonds (to be amortized as interest over the life of the debt)	39,203
Proceeds from premium on 2014 public improvement refunding bonds (to be amortized as interest over the life of the debt)	69,721
Proceeds from premium on 2017 public improvement refunding bonds (to be amortized as interest over the life of the debt)	368,773
Lake Charles City Court building loan	140,000
DEQ loan - sewer plant improvements	1,156,000
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 8,171,455</u>

C. Explanation of certain differences between the proprietary fund statement of net position and the governmental-wide statement of net position:

The proprietary fund statements of net position include reconciliation between net position – total enterprise funds and net position of business-type activities as reported in the governmental-wide statements of net position. The description of the sole element of that reconciliation is “adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.” The details of this \$381,243 are as follows:

Internal payable representing costs in excess of charges to the business-type activities - prior year	\$ 348,799
Internal payable representing costs in excess of charges to the business-type activities - current year	32,444
Net adjustment to decrease net position - enterprise funds to arrive at net position - business-type activities	<u>\$ 381,243</u>

3. Stewardship, Compliance, and Accountability

A. Budgetary Information

The City annually adopts and implements an operating and capital budget in accordance with requirements of the City Charter and applicable state law for the General Fund and all Special Revenue and Proprietary Funds. The Capital Projects Fund's budget is a project-based capital budget. Policies and procedures with respect to budget adoption and budgetary control are as follows:

1. The Mayor submits the proposed operating budget for the fiscal year commencing October 1 to the City Council no later than August 15. This budget includes proposed expenditures and the means of financing them.
2. A summary of the proposed budget and notices of public hearing is published in accordance with statutory requirements.
3. The proposed budget is subject to one or more public hearings before the City Council prior to adoption by ordinance, which must occur no later than September 15. The City Charter requires a two-thirds vote of the City Council to amend the proposed budget submitted by the Mayor.
4. Expenditures are legally restricted to budgetary appropriations at the department level within the General Fund and at the fund level for Special Revenue Funds, which are not departmentalized. Revisions, which alter the total expenditures of any such department or fund, must be approved by budget amendment ordinance adopted by the City Council at the request of the Mayor. Transfers of budgeted amounts between expenditure objects or programs within the same department and fund are authorized to be made administratively by the Director of Finance.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Capital Projects Fund, which is budgeted on a project basis. Formal budgetary integration is not employed in the Debt Service Funds because effective budgetary control is alternatively achieved through the respective bond indentures and provisions.
6. Budgets for the General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Comparisons of budgeted and actual results of operation are presented for the General Fund and Special Revenue Funds in the accompanying financial statements. The Capital Projects Fund is not included in this budget, and actual comparison, as the capital budget which encompasses that fund, is presented on the basis of cumulative as opposed to annual budget amounts.
7. All budgetary appropriations, except capital project budgets, lapse at the end of each fiscal year.
8. Budgeted amounts are as originally adopted or as amended by the City Council. The originally adopted General Fund expenditure budget of \$82,200,036 was amended during the fiscal year to reduce operational expenditures by \$1,500,000 and to provide for additional transfer of \$7,800,000 for expenses related to Hurricane Laura, bringing the total expenditure budget to \$88,500,036. Operating revenues proposed to total \$76,203,795 but were amended to \$86,008,795, an increase of \$9,805,000 due to an increase in sales taxes received associated with rebuilding efforts following Hurricane Laura. The original adopted budget anticipated that \$6 million of fund balance reserves would be needed for fiscal year 2021; however, the amended budget reflected that only \$2.5 million would be needed.

The originally adopted amount of all Special Revenue Funds was \$38,442,970. Amendments increased the budget by \$90,924,905 and resulted in the final total Special Revenue Fund budget of \$129,367,875. The increase in the annual amendment was primarily in response to Hurricane Laura. Also contributing to the increase were response efforts associated with Hurricane Delta,

NOTES TO FINANCIAL STATEMENTS

a winter storm, & historic flooding that occurred during May. An annual amendment is necessary in response to grant awards compared to actual expenditures within the fiscal year.

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Funds.

In accordance with generally accepted accounting principles, outstanding encumbrances at year end for which goods or services have been received are reclassified to expenditures and accounts payable. All other encumbrances in the annual budgeted funds are reversed at year end and are either canceled or are included as re-appropriations of fund balance for the subsequent year. Encumbrances at year end in funds that are budgeted on a project basis, including Enterprise Fund construction projects, are carried forward along with their related appropriations and are not subject to an annual cancellation and re-appropriation. Such balances are classified as committed fund balance in the Capital Project Fund. Significant project encumbrances are included in the “construction commitments” section of the capital asset note disclosure. The total amount reserved for encumbrances in all funds at fiscal year ended September 30, 2021 are as follows:

Major Funds:	
General Fund	\$ 1,229,155
Capital Projects	28,625,105
Disaster Recovery Fund	9,594,982
Wastewater Fund	654,811
Total Major Funds	40,104,053
Proprietary Funds:	
Civic Center	\$ 457,772
Mallard Golf Course	92,665
Water Utility	2,368,597
Total Proprietary Funds	2,919,034
Total Reserved for Encumbrances	
Fiscal Year ended September 30, 2021	\$ 43,023,087

C. Excess of Expenditures Over Appropriations and Deficit Fund Equity

There was no deficit fund equity in any fund at fiscal year ended September 30, 2021.

D. Unfavorable Revenue & Expenditure Variances

The revenue received from the Community Development Special Revenue Fund was \$388,846 which was \$11,626 less than the \$400,472 budgeted amount. The unfavorable variance in this special revenue fund is attributable to variances in grant program revenues, which are budgeted on the basis of grant awards but actual revenues received are based on annual expenditure reimbursements in those funds.

NOTES TO FINANCIAL STATEMENTS

4. Detailed Notes on All Funds

A. Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet within "cash and investments" or "restricted cash and investments" where applicable. Legal and contractual provisions with respect to deposits and investments are substantially the same for all funds and fund types.

Demand deposits of the City are maintained under a banking agreement in which account balances are collateralized entirely by U.S. Treasury and government agency securities held by a Federal Reserve Bank in the City's name. The bank balance of such deposits at September 30, 2021 was \$169,628,444 (carrying amount \$157,968,316).

The total includes restricted cash in the amount of \$1,707,178 from customer deposits in the Water Utility Enterprise Fund. The amounts do not include petty cash of \$22,350 or \$3,003,829 that is on deposit with a third party for bond reserves and the administration of the City's insurance claims. It also does not include a cash overdraft of \$7,658,757 reported as accounts payable in the Disaster Recovery Special Revenue Fund and Transit Enterprise Fund.

The carrying amounts of cash deposits for component units at their respective balance sheet dates were \$74,827 for City Court and \$295,594 for the Ward Three Marshal. These amounts were fully covered by federal deposit insurance or were collateralized entirely by U.S. Treasury and government agency securities held by a Federal Reserve Bank in the entity's name.

Fair Value Reporting – Investments

Investments are stated at fair value and are categorized within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value. Level 1 inputs are quoted prices for identical items in active markets; Level 2 inputs are those that are either directly or indirectly observable for similar items; Level 3 inputs are unobservable inputs.

The City utilizes the market-based approach for determining the fair value of investments. Level 1 investments are valued using prices quoted for identical assets in active, liquid, and visible markets. Level 2 investments are valued using quoted prices in active or inactive markets for similar investments, or other valuations based on matrix, cost, or market pricing techniques. The city has no Level 3 investments. Louisiana Asset Management Pool (LAMP) is excluded from fair value assessment. As of September 30, 2021, the City had the following investments and maturities:

Investment type	Maturity	Fair Value/ Net Asset Value
U.S. agencies	Less than 1 year	2,719,584
US Treasury Notes (Level 2)		2,719,584
U.S. agencies callable	1 - 5 year	4,990,897
Federal Home Loan Bank (Level 2)		4,990,897
Louisiana Asset Management Pool (Net Asset Value)		48,190,407
		<u>\$ 55,900,888</u>

NOTES TO FINANCIAL STATEMENTS

Credit Risk – Investments

The City's investment program is authorized and limited by state statute and city policy to purchases of securities issued or guaranteed by the U.S. Government and its agencies or instrumentalities and participation in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit local government money-market type (2a-7-like) investment pool sponsored by the State of Louisiana. This pool is rated "AAA" by Standard & Poor's. Security investments are carried at fair value; investment in LAMP is carried at cost, which approximates market value. With the exception of LAMP, all of the City's investments are held in the City's name by its custodial bank. The City's investment policy does not specifically limit investment maturities, except for a general requirement that funds used for operation be invested within a three-year final maturity range. This policy assumes that callable investments will not be called. The City's investment policy states that financial or credit risk, as distinguished from market risk, is not acceptable for any investment in either short or long term investment categories.

The City does not directly invest in commercial paper, which is permitted by state statute. However, such investments are made by LAMP, which are subject to concentration and maturity limitations of its investments policy.

The City's investments in U.S. Agency Securities were primarily rated "AAA" by Standard and Poor's and Fitch Ratings and "Aaa" by Moody's Investors Services. The City's investment policy does not specifically limit concentration with individual issuers. The policy states that financial or credit risk, as distinguished from market risk, is not acceptable for any investment in either short or long term investment categories.

Interest Rate Risk – Investments

The City's policy on investments places primary order of emphasis on 1) the safety of principal; 2) the liquidity of the investment, in order to enable the City to meet reasonably expected operating and capital funding requirements; and 3) the yield or return on investment.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investment. Investments are exposed to custodial credit risk if the securities are (a) uninsured and unregistered and held by the counterparty; or (b) uninsured, unregistered and held by the counterparty's trust department or agent but not in the name of the City.

According to the City's investment policy for investment purchases, the fiscal agent bank merely executes the necessary wire-transfer services to support the City's investment transactions and is therefore not a counterpart to the investment transactions. As such, these investments are not subject to custodial credit risk since the fiscal agent bank is not a party to the original investment purchases and is only holding the book-entry securities in a securities safekeeping account in the name of the City of Lake Charles.

B. Receivables

Receivables as of year-end for the City of Lake Charles's individual major funds and non-major and internal service funds in the aggregate, including the applicable allowances for uncollectable accounts are as follows:

NOTES TO FINANCIAL STATEMENTS

Governmental-type Activities	General	Disaster Recovery	Riverboat Gaming	Wastewater	Debt Service
Receivables:					
Accounts	\$ 3,461,423	\$ 1,770,000	\$ -	\$ 2,612,501	\$ -
Taxes	5,473,677	-	-	451,198	-
Property standards & special assessment	-	-	-	-	-
Interest	3,500	-	-	-	-
Intergovernmental	115,806	44,496,444	442,193	-	122,177
Gross receivables	9,054,406	46,266,444	442,193	3,063,699	122,177
Less: allowance for uncollectable	(934,302)	-	-	(521,153)	-
Net total receivables	\$ 8,120,104	\$ 46,266,444	\$ 442,193	\$ 2,542,546	\$ 122,177

Governmental-type Activities (continued)	Capital Projects	Non-major Funds	Internal Service	Total Governmental Activities
Receivables:				
Accounts	\$ 270,136	\$ 12,830	\$ 606,401	\$ 8,733,291
Taxes	789,596	427,398	-	7,141,869
Property standards & special assessment	196,865	-	-	196,865
Interest	5,645	-	-	9,145
Intergovernmental	707,885	142,980	0	46,027,485
Gross receivables	1,970,127	583,208	606,401	62,108,655
Less: allowance for uncollectable	-	-	-	(1,455,455)
Net total receivables	\$ 1,970,127	\$ 583,208	\$ 606,401	\$ 60,653,200

Receivables as of year-end for the City of Lake Charles's individual enterprise funds in the aggregate including the applicable allowances for uncollectable accounts are as follows:

Business-type Activities	Civic Center	Golf Course	Public Transit	Water	Total Business- Type Activities	Total Government
Receivables:						
Accounts	\$ 17,016	\$ -	\$ -	\$ 2,457,305	\$ 2,474,321	\$ 11,207,612
Taxes	-	-	-	-	-	7,141,869
Property standards & special assessment	-	-	-	-	-	196,865
Interest	-	-	-	-	-	9,145
Intergovernmental	-	-	1,294,323	-	1,294,323	47,321,808
Gross receivables	17,016	-	1,294,323	2,457,305	3,768,644	65,877,299
Less: allowance for uncollectable	-	-	-	(522,478)	(522,478)	(1,977,933)
Net total receivables	\$ 17,016	\$ -	\$ 1,294,323	\$ 1,934,827	\$ 3,246,166	\$ 63,899,366

NOTES TO FINANCIAL STATEMENTS

Intergovernmental receivables consisted of the following:

Governmental-type activity:	
Calcasieu Parish Policy Jury	\$ 1,111,421
Calcasieu Parish Tax Assessor	65,257
Lake Charles City Court	122,177
U.S. Department of Justice	57,421
Community Development Grant	57,054
LA Department of Treasury	108,653
LA Department of Transportation	96,059
LA Commission on Law Enforcement and Admin. Of Criminal Justice Grant	5,886
LA Department of Military Affairs	44,403,307
LA Department of Health and Hospitals	250
Total Government-type activities	<u>46,027,485</u>
Business-type activity:	
LA Department of Treasury	<u>1,294,323</u>
Total Business-type activities	<u>1,294,323</u>
Total Primary government	<u><u>\$ 47,321,808</u></u>

NOTES TO FINANCIAL STATEMENTS

C. Capital Assets

Capital asset activity for the fiscal year ended September 30, 2021 was as follows:

Primary Government
Governmental Activities:

Asset	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets - not being depreciated:				
Land	\$ 16,359,652	\$ 39,500	\$ -	\$ 16,399,152
Construction in progress	17,221,644	20,303,758	(4,747,730)	32,777,672
Total capital assets - not being depreciated	33,581,296	20,343,258	(4,747,730)	49,176,824
Capital assets - being depreciated:				
Buildings	57,304,599	311,187	(632,551)	56,983,235
Improvements	113,695,536	3,240,747	(539,218)	116,397,065
Machinery & Equipment	42,912,319	3,315,092	(1,835,768)	44,391,643
Infrastructure	397,449,584	8,639,176	-	406,088,760
Total capital assets - being depreciated	611,362,038	15,506,202	(3,007,537)	623,860,703
Less accumulated depreciation for:				
Buildings	(34,479,361)	(2,289,679)	392,319	(36,376,721)
Improvements	(44,214,598)	(4,767,493)	63,995	(48,918,096)
Machinery & Equipment	(29,657,597)	(3,858,725)	1,792,136	(31,724,186)
Infrastructure	(156,835,703)	(9,256,026)	-	(166,091,729)
Total accumulated depreciation	(265,187,259)	(20,171,923)	2,248,450	(283,110,732)
Total capital assets - being depreciated, net	346,174,779	(4,665,721)	(759,087)	340,749,971
Governmental activities capital assets, net	\$ 379,756,075	\$ 15,677,537	\$ (5,506,817)	\$ 389,926,795

The assets of the Internal Service Funds are included in the table for assets related to governmental-type activities. Total assets are \$57,619 with accumulated depreciation of \$46,781. Remaining value of assets at September 30, 2021 equaled \$10,838; and this total is included in the net asset statement for the Governmental-type activities.

NOTES TO FINANCIAL STATEMENTS

Business-type activities:

Asset	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets - not being depreciated:				
Land	\$ 2,185,506	\$ 1,400,895	\$ -	\$ 3,586,401
Construction in progress	6,195,376	2,335,626	(3,885,935)	4,645,067
Total capital assets - not being depreciated	8,380,882	3,736,521	(3,885,935)	8,231,468
Capital assets - being depreciated:				
Buildings	26,456,068	20,966	(186,322)	26,290,712
Improvements	112,217,430	7,672,027	(2,839,040)	117,050,417
Machinery & Equipment	11,621,452	827,149	(536,329)	11,912,272
Total capital assets - being depreciated	150,294,950	8,520,142	(3,561,691)	155,253,401
Less accumulated depreciation for:				
Buildings	(20,712,756)	(208,356)	166,719	(20,754,393)
Improvements	(53,108,952)	(3,170,151)	1,466,822	(54,812,281)
Machinery & Equipment	(7,913,203)	(869,575)	488,363	(8,294,415)
Total accumulated depreciation	(81,734,911)	(4,248,082)	2,121,904	(83,861,089)
Total capital assets, being depreciated, net	68,560,039	4,272,060	(1,439,787)	71,392,312
Business-type activities capital assets, net	\$ 76,940,921	\$ 8,008,581	\$ (5,325,722)	\$ 79,623,780

Depreciation expense was charged to functions / programs of the primary government as follows:

Governmental activities:	
General government	\$ 282,049
Public safety	2,108,006
Public works	16,150,154
Planning and development	43,675
General services	299,006
Community services	1,284,698
Capital assets held by the government's internal service funds are charges to the various functions based on their usage of the assets	4,335
Total depreciation expense - governmental activities	<u>\$ 20,171,923</u>
Business-type activities:	
Civic Center	\$ 1,172,842
Golf Course	211,563
Transit	630,794
Water	2,232,883
Total depreciation expense - business-type activities	<u>\$ 4,248,082</u>

NOTES TO FINANCIAL STATEMENTS

D. Discretely Presented Component Units

Capital asset activity for the year ended December 31, 2020 was as follows for City Court:

Governmental activities	Balance 1/01/2020	Additions	Deletions	Balance 12/31/2020
Governmental activities:				
Equipment	\$ 89,657	\$ -	\$ -	\$ 89,657
Furniture and fixtures	16,480	-	-	16,480
Software	204,935	-	-	204,935
Total at historical cost	311,072	-	-	311,072
Less accumulated depreciation:				
Equipment	(66,793)	(9,388)	-	(76,181)
Furniture and fixtures	(721)	(412)	-	(1,133)
Software	(46,987)	(19,930)	-	(66,917)
Total accumulated depreciation	(114,501)	(29,730)	-	(144,231)
Governmental activities capital assets, net	\$ 196,571	\$ (29,730)	\$ -	\$ 166,841

Capital asset activity for the year ended December 31, 2020 was as follows for City Marshal:

Governmental activities	Balance 1/01/2020	Additions	Deletions	Balance 12/31/2020
Governmental activities:				
Automobiles & equipment	\$ 399,517	\$ -	\$ -	\$ 399,517
Furniture and fixtures	13,763	-	-	13,763
Equipment	227,149	39,319	-	266,468
Buildings & improvements	42,268	-	-	42,268
Totals at historical cost	682,697	39,319	-	722,016
Less accumulated depreciation:				
Automobiles	(374,422)	(14,425)	-	(388,847)
Furniture and fixtures	(13,751)	(11)	-	(13,762)
Equipment	(198,369)	(12,492)	-	(210,861)
Buildings & improvements	(6,306)	(1,057)	-	(7,363)
Total accumulated depreciation	(592,848)	(27,985)	-	(620,833)
Governmental activities capital assets, net	\$ 89,849	\$ 11,334	\$ -	\$ 101,183

E. Impairment of Capital Assets and Insurance Recoveries

On August 28, 2020, Hurricane Laura made landfall and caused unprecedented devastation to Southwest Louisiana. Six weeks later Hurricane Delta hit the area adding to the devastation. Many City owned properties sustained damage ranging from minimal damage to total loss of the structure. A majority of these properties were fully depreciated and no longer had any value on the Statement of Net Position. In accordance with GASB Statement No. 42, the City reviewed the properties damaged to identify potential impairments caused by Hurricanes Laura and Delta and further tested for impairment. The impairment

NOTES TO FINANCIAL STATEMENTS

loss is calculated using the Restoration Cost Approach and is presented as a reduction in the value of capital assets on the Statement of Net Position and as an additional program expense on the Statement of Activities. Impairment loss and carrying values are categorized as follows:

Impairment of Capital Assets by Function	Impairment Loss	Carrying Value	Idle Carrying Value
Governmental activities:			
Community services			
Purple Heart Recreation Facility	\$ 138,392	\$ -	\$ -
Tuten Park	97,805	215,924	N/A
Lakefront Marina	302,129	816,866	816,866
Business-type activities			
Civic Center	1,323,689	5,518,403	N/A
Total	<u>\$ 1,862,015</u>	<u>\$ 6,551,193</u>	<u>\$ 816,866</u>

The City received \$44,519,191 in insurance proceeds for disaster related damages categorized as follows:

Function/Program	Insurance Proceeds
General government	\$ 681,888
Public safety	3,589,163
Public works	24,096,201
General services	855,415
Other governmental facilities	15,296,524
Total	<u>\$ 44,519,191</u>

F. Construction Commitments

The City had total commitments of \$38,448,604 with contractors for unfinished construction projects as of September 30, 2021 categorized as follows:

Project type	Expended to date	Remaining commitment
Streets and storm drainage	\$ 4,367,635	\$ 24,102,512
Waterlines	429,963	845,449
Water Facilities	84,613	1,891,437
Sanitary sewer rehabilitation	5,648,324	5,380,336
Recreation / community facilities	1,945,879	191,730
Public Safety	74,447	1,304,185
Mallard Cove Golf Course	1,266,147	144,891
Civic Center Improvements	4,689,903	1,136,382
Other governmental facilities	1,682,141	3,451,682
Total	<u>\$ 20,189,052</u>	<u>\$ 38,448,604</u>

All remaining commitments are financed from City revenues previously received.

NOTES TO FINANCIAL STATEMENTS

G. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2021 is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Civic Center Fund	\$ 254
	Wastewater Fund	1,929
	Water Fund	2,282
	Risk Management Fund	4
	Non-major Governmental Funds	36,923
Disaster Recovery Fund	General Fund	2,400,000
Capital Projects Fund	General Fund	1,000,000
	Water Fund	1,000,000
Riverboat Gaming Fund	Non-major Governmental Funds	44,825
Non-Major Governmental Funds	General Fund	6,739
	Riverboat Fund	35,000
Golf Course	General Fund	549,121
Transit Fund	General Fund	111,762
	Water Fund	31,500
Total		\$ 5,220,339

Interfund Transfers:

Transfer out:	General Fund	Disaster Recovery Fund	Riverboat Fund	Wastewater Fund	Capital Project Fund	Other Special Revenue Funds	Water Fund	Risk Management Fund
Transfer in:								
Debt Service	\$ 38,854	\$ -	\$ 2,985,000	\$ 3,141,418	\$ 2,385,000	\$ -	\$ -	\$ -
Disaster Recovery	8,200,000	-	-	-	-	-	-	2,000,000
Capital Projects	4,500,000	-	5,400,000	2,000,000	-	1,825,000	1,000,000	-
Non-major Governmental	31,737	-	565,175	-	-	-	-	-
Civic Center	-	28,965	-	-	-	-	-	-
Golf Course	1,517,841	20,379	-	-	-	-	-	-
Transit	-	129,500	-	-	-	-	-	-
Water	316,000	20,723	-	-	-	-	-	-
Wastewater	319,000	-	-	-	-	-	-	-
Total	\$ 14,923,432	\$ 199,567	\$ 8,950,175	\$ 5,141,418	\$ 2,385,000	\$ 1,825,000	\$ 1,000,000	\$ 2,000,000

Transfers are used to move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due. Unrestricted general fund revenues are transferred to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs and proprietary fund operations.

NOTES TO FINANCIAL STATEMENTS

H. Long-Term Debt

Bonds payable as of September 30, 2021 are comprised of the following individual issues and are entirely related to governmental activities:

<u>\$ 15,825,000</u> <u>2014 Fixed Rate Revenue Refunding Bonds - LCDA</u> Original issue was for City of Lake Charles Public Improvement Projects (roads, utilities, downtown/lakefront development, economic development and parks) due in annual amounts of \$50,000 to \$2,450,000 through 2027; interest rates of 2% to 5%.	11,590,000
<u>\$ 24,140,000</u> <u>2017 Fixed Rate Revenue Refunding Bonds - LCDA</u> Original issue was for City of Lake Charles Public Improvement Projects (roads, utilities, downtown/lakefront development, economic development and parks) due in the annual amounts of \$1,715,000 to \$3,050,000 through 2027; interest rates of 4% to 5%.	18,200,000
Total bonds payable	<u>\$ 29,790,000</u>

The Revenue Bonds are subject to arbitrage rules. Arbitrage calculations are done as required.

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

Year ending September 30:	Principal	Interest	Total
2022	4,410,000	1,284,825	5,694,825
2023	4,760,000	1,088,075	5,848,075
2024	4,840,000	853,575	5,693,575
2025	5,055,000	634,400	5,689,400
2026	5,255,000	439,650	5,694,650
2027	5,470,000	224,500	5,694,500
Total	\$ 29,790,000	\$ 4,525,025	\$ 34,315,025

Direct Placement Debt as of September 30, 2021 is comprised of the following individual issues and are entirely related to governmental activities:

<u>\$ 21,000,000</u> <u>2011 Louisiana Department of Environmental Quality Loan</u> - Original issue was for rehabilitation and rebuild of existing wastewater treatment facility due in amounts of \$212,000 to \$2,691,000 through 2032; interest rates of 0.45% and administrative fee of 0.50% - direct placement.	\$ 13,462,000
<u>\$ 3,000,000</u> <u>2011 Calcasieu Parish Public Trust Authority Revenue Bonds</u> Original issue was for the construction of Lake Charles City Court Building due in the annual amounts of \$95,000 to \$175,000 through 2031; interest rates of 3.783% - direct placement.	825,000
Total direct borrowing	<u>\$ 14,287,000</u>

NOTES TO FINANCIAL STATEMENTS

Annual debt service requirements to maturity of the direct placement are as follows:

Governmental Activities			
Year ending September 30:	Principal	Interest	Total
2022	1,317,000	88,952	1,405,952
2023	1,333,000	77,931	1,410,931
2024	1,349,000	66,672	1,415,672
2025	1,370,000	55,079	1,425,079
2026	1,387,000	43,154	1,430,154
2027 - 2031	6,248,000	113,825	6,361,825
2032	1,283,000	5,774	1,288,774
Total	\$ 14,287,000	\$ 451,387	\$ 14,738,387

The City of Lake Charles has approval from the Lake Charles City Council and the State Bond Commission to issue \$20 million from the Louisiana Department of Health Drinking Water Revolving Loan Fund (DWRLF) and \$20 million from the Louisiana Department of Environmental Quality Revolving Loan Fund.

NOTES TO FINANCIAL STATEMENTS

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2021 was as follows:

	Balance 10/01/2020	Additions	Reductions	Balance 9/30/2021	Due within one year
Governmental activities:					
Bonds payable:					
Revenue Refunding Bonds	\$ 1,750,000	\$ -	\$ (1,750,000)	\$ -	\$ -
Deferred amount of revenue bonds	39,203	-	(39,203)	-	-
Revenue Refunding Bonds					
LC Public Imp 2014	11,760,000	-	(170,000)	11,590,000	2,035,000
Deferred amount of revenue bonds	505,480	-	(69,721)	435,759	69,721
Revenue Refunding Bonds					
LC Public Imp 2017	22,425,000	-	(4,225,000)	18,200,000	2,375,000
Deferred amount of revenue bonds	2,581,409	-	(368,773)	2,212,636	368,773
Total bonds payable	39,061,092	-	(6,622,697)	32,438,395	4,848,494
Compensated absences	4,716,344	417,739	(682,454)	4,451,629	200,000
Other post-employment benefits	7,083,036	561,577	(387,612)	7,257,001	-
Net pension liability	67,102,054	(2,880,466)	(26,123,037)	38,098,551	-
LC City Court building-direct placement	965,000	-	(140,000)	825,000	150,000
DEQ loan - direct placement	14,618,001	-	(1,156,000)	13,462,001	1,167,000
Long-term liabilities	\$ 133,545,527	\$ (1,901,150)	\$ (35,111,800)	\$ 96,532,577	\$ 6,365,494
Business-type activities:					
Compensated absences	\$ 728,654	\$ 53,313	\$ (82,706)	\$ 699,261	\$ 5,000
Other post-employment benefits	1,034,170	80,166	(53,249)	1,061,087	-
Net pension liability	4,902,999	(155,531)	(1,713,023)	3,034,445	-
Long-term liabilities	\$ 6,665,823	\$ (22,052)	\$ (1,848,978)	\$ 4,794,793	\$ 5,000

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$143,968 of internal service compensated absences; \$62,853 OPEB liabilities and \$314,882 in Net Pension liabilities are included in the above statement.

In the current year, compensated absences were paid from the following governmental funds:

General Fund	Wastewater Fund	Other Special Revenue Funds
\$ 576,671	\$ 81,573	\$ 24,210

In the current and prior years, other post-employment benefits and net pension liabilities are paid primarily from the General Fund.

Refunding of Bonds

The City has issued 2014 and 2017 Revenue Refunding Bonds. In both transactions, the reacquisition price exceeded the net carrying amount of the old debt. This amount of \$932,547 is being reported as a deferred outflow of resources and amortized over the life of the new debt, which is the same as the old debt. This amount is included in the calculation of net investment in capital assets. The amount includes \$545,065 from the 2014 Revenue Refunding Bonds and \$387,482 from the 2017 Revenue Refunding Bonds. Amortization for 2021 was \$90,843 and 77,496 for each respective issue.

5. Other Information

A. Risk Management

As of July 1, 1986 the City became self-insured with regard to workmen's compensation, auto liability, general liability, and a portion of police professional liability risk. The Risk Management Fund was established as an internal service fund at that date to account for all claims, expenses and administrative costs related to these self-insured and retained risks. The fund uses a third-party administrator to service and estimate claim losses, and uses both in-house legal staff and outside counsel for defense of self-insured claims. Excess risk or stop-loss coverages are used to limit retained risk where feasible, and the cost of such coverages is also paid through the Risk Management Fund.

As an internal service activity, the Risk Management Fund is a proprietary fund in which both current and long-term liabilities for claims and losses are recognized and reported when the liability is incurred. Financial resources are provided to the fund primarily through internal service charges that are distributed among other departments and funds in proportion to estimated risk and prior loss experience. A portion of the fund's accumulated resources is designated for catastrophic losses as provided by authorizing ordinance. Any remaining fund equity is reserved for subsequent workmen's compensation and other liability claims on an aggregate basis.

The Risk Management Fund also accounts for payment of hazard insurance premiums and third-party claims administration services under a comprehensive risk limitation and insurance program. Under this program, the City's retained risk for all auto liability and general liability is generally limited to a maximum of \$500,000 per claim or loss. The City's self-insured retention for workmen's compensation is \$1.5 million for fire and police and \$1.125 million for all other employees.

Total net position at September 30, 2021 was \$16,694,759. Specific ordinance authorization is required of any claim in excess of \$100,000 or for any reduction or use of the amount designated for catastrophic losses. However, all estimable claims are accrued as current or long-term liabilities when incurred, without regard to the level of authorization required for payment.

The City established a self-insurance program for employee health benefits as of January 1, 1993 and accounts for this program through a separate internal service fund. Total net position of that fund at September 30, 2021 was \$5,769,494. The amount of risk retained by the fund during 2021 was limited to \$150,000 per claimant through use of purchased stop-loss coverage.

NOTES TO FINANCIAL STATEMENTS

Changes in the balances of claims liabilities during the past year are as follows:

	Risk Management	Employee Insurance	Totals
Unpaid claims, beginning of fiscal year 2020:	\$ 6,041,340	\$ 2,050,000	\$ 8,091,340
Incurred and adjusted claims	4,419,434	9,264,626	13,684,060
Claim payments	(3,670,334)	(9,064,626)	(12,734,960)
Unpaid claims, beginning of fiscal year 2021:	6,790,440	2,250,000	9,040,440
Incurred and adjusted claims	6,890,320	7,872,761	14,763,081
Claim payments	(5,131,128)	(8,072,254)	(13,203,382)
Total unpaid claims September 30, 2021:			
Current claims due within one year	6,273,432	2,050,507	8,323,939
Long-term claims due one year or more	2,276,200	-	2,276,200
Total unpaid claims September 30, 2021:	\$ 8,549,632	\$ 2,050,507	\$ 10,600,139

B. Property Tax

The City levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the City on property values assessed by the Calcasieu Parish Assessor's Office and approved by the State of Louisiana Tax Commission. All millages except the General Alimony tax were reauthorized in 2016 for an additional 10 years. The distribution of the City's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 2021 and 2020:

Tax	Fiscal year 2021	Fiscal year 2020
General Alimony	5.95	5.95
Special recreation	1.68	1.67
Employee salary	5.21	5.17
Special street improvement	2.28	2.26
Total Millage	15.12	15.05

C. Contingencies and Commitments

The City has a number of outstanding contracts, the breach of any, of which could result in a liability to the City. The amount of the liability to the City at September 30, 2021, if any, is not estimable.

D. Joint Service Agreements

The City of Lake Charles and the Calcasieu Parish Police Jury entered into a joint service agreement, with an effective date of January 1, 2010, regarding operational responsibility for a consolidated animal services and shelter program. The term of the agreement was for the calendar year 2010 through 2012, with an option to renew for additional years. The City agreed to fund one-half of the operating budget, after the reduction for self-generated revenue and other specified grant revenue. The fifty percent amount is based on the average service call breakdown between the City and the Parish. The 2021 payment was \$395,613.

NOTES TO FINANCIAL STATEMENTS

The City of Lake Charles and the Calcasieu Parish Police Jury are statutorily required to fund the operations of the Ward Three Court and Marshal's Office. The Parish paid the City \$229,210 in 2021 under this agreement.

On July 20, 2004, the City and the Calcasieu Parish Police Jury entered into a joint services agreement regarding the management of Fire Protection District 2 of Ward 3. In that agreement, the Parish dissolved the existing board of directors and assumed that responsibility. The City of Lake Charles assumed the day-to-day management of those operations, which would be inclusive of any budgetary, decision-making requirements. The Parish would continue to collect the property tax revenue on behalf of the District while paying the City for their management services. The ownership of the District's assets would not be transferred under this joint services agreement, and any costs associated with major improvements or capital expenditures would remain the responsibility of the District. The fee for the management services provided is the full amount of the property tax collections and the state revenue sharing collections paid to the District. In 2021, the Parish remitted \$2,479,730 to the City. The activity of this District is presented as a blended component unit of the Parish since the Police Jury's and the District's governing board are the same.

E Gaming Activity and Agreements

In 2007, the City of Lake Charles and the Calcasieu Parish Police Jury entered into a cooperative endeavor agreement thereby creating the Calcasieu Parish Gaming Revenue District which is responsible for collecting fees and assessments related to gaming activity conducted within the boundaries of the Parish and the City of Lake Charles and then distributing those collections to participating entities. The entities eligible for participation in this distribution are currently the Parish, the City of Lake Charles, the City of Sulphur, the City of Dequincy, the Town of Vinton, the Town of Iowa and the Town of Westlake. Specifically excluded from the definition of gaming revenues to be collected by the new district is the annual cash payment received by the Parish from the Isle of Capri. The City received \$7,844,826 during fiscal year 2021 as a result of this agreement.

F. Other Postemployment Benefits Other than Pensions (OPEB)

For the fiscal year ended September 30, 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement addresses the fact that certain postemployment benefits other than pensions, which for the City consists of healthcare benefits only, are related to employee services and salaries received presently but that will benefit the employee in the future, upon retirement, and whose costs will be borne by the City in the future.

Plan Description: The City provides certain continuing healthcare benefits for its retired employees. The City OPEB Plan is a single employer defined benefit plan administered by the City. The contribution requirements of the retirees and the participating employees are established in the annual operating budget and may be amended in the subsequent year by City management. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No.75.

Benefits Provided: Employees are eligible for retiree health benefits if they are eligible for a pension from their respective retirement system, and they are enrolled in the City of Lake Charles health plan at the time of retirement. City employees may retire upon attaining 1) age 60 with 10 years of service; or 2) at any age with 30 years of service. Police employees may retire upon attaining 1) age 55 with 12 years of service; or 2) at any age with 20 years of service. Fire employees may retire upon attaining 1) age 55 with 12 years of service; 2) age 50 with 20 years of service; or 3) at any age with 25 years of service. In addition, if an employee becomes disabled under the terms of his retirement system, he shall be eligible for medical benefits. City employees must have 10 years of service at time of disability. Police and fire employees must have 5 years of service at time of disability.

NOTES TO FINANCIAL STATEMENTS

Upon election, spouses and children are eligible for coverage. In the event of death after satisfying the criteria for retirement, but prior to actual retirement, a surviving spouse and dependents are eligible for benefits. Participants over 65 are covered under a retiree-pay-all Medicare Advantage plan.

For coverage under the plan prior to age 65, retirees pay 100% of the blended active premium. There is no retiree contribution to the OPEB plan other than the retiree share of insurance premiums paid monthly which for 2021 consisted of \$676 per month for retiree only and \$1,350 for retiree and dependent coverage. After age 65, retirees may participate in a retiree-pay-all Medicare Advantage plan. Three optional plans are administered by Blue Cross Blue Shield and are completely paid by the retiree. Pharmacy benefits are included. Therefore, there is no post-retirement benefit increase/liability to the City after age 65.

City employees, with at least 25 years of full time service and a retirement date after January 1, 2019, who retain City health insurance are now entitled to a \$300 per month supplement towards their monthly insurance premium. The City will provide for this supplement for up to 60 months, until the retiree becomes eligible for Medicare or reaches age 66, whichever occurs first.

Employees Covered by Benefit Terms: The September 30, 2021 total OPEB liability was determined using the October 1, 2020 actuarial valuation that included the following employees covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	44
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	717
Total	761

Total OPEB Liability

The City's total OPEB liability of \$8,318,088 was measured at September 30, 2021 and was determined by an actuarial valuation as of October 1, 2020.

Actuarial Assumptions and Other Inputs:

The total OPEB liability as of the October 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

- Actuarial Cost Method – Entry age normal
- Valuation date – October 1, 2020
- Measurement date – September 30, 2021
- Inflation rate was 2.5%; 2.2% used for medical trend inflation
- Salary Increase Rate - 2019 MERSLA Plan B report was used for city employees and the 2019 LAMPERS report was used for police and fire employees.

<i>MERSLA Plan B</i>		<i>LAMPERS</i>	
Years of Service	Salary Increase	Years of Service	Salary Increase
1-4	7.40%	1-2	9.75%
Above 4	4.90%	3-23	4.75%
		Above 23	4.25%

- Discount Rate was 2.26% net of expenses (increased from 2.21% previously). The discount rate was based on the Bond Buyer 20-Bond General Obligation Index for the measurement dates.
- Health Care Cost Trend – see table on following page
- Coverage Assumption – 25% of active participants are assumed to elect medical coverage at retirement.
- Marriage Assumptions - For active participants, husbands are assumed to be three years older than their wives. 25% of active participants making it to retirement are assumed to be married

NOTES TO FINANCIAL STATEMENTS

and elect spouse coverage. Actual spouse dates of birth are used for current retirees if provided.

- Mortality Rate was based on the PubG.H-2010 table projected forward with MP-2020. Pub-2010 tables for disabled lives and contingent survivors were also used.

Changes in the Total OPEB Liability

Balance at September 30, 2020	<u>\$ 8,117,206</u>
Change for the year:	
Service Cost	370,490
Interest Cost	182,733
Effect of Plan changes	0
Effect of Economic/Demographic gains or losses	109,510
Effect of assumption changes or inputs	(20,990)
Expected Benefit Payments	<u>(440,861)</u>
Net Changes	<u>(200,882)</u>
Balance at September 30, 2021	<u>\$ 8,318,088</u>

The amount of total OPEB liability estimated to be due and payable within one year is \$415,904

Sensitivity Analysis:

Sensitivity of the total OPEB liability to changes in the discount rate – The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate.

	1% Decrease (1.26%)	Current Discount Rate (2.26%)	1% Increase (3.26%)
Total OPEB liability	<u>\$ 8,921,186</u>	<u>\$ 8,318,088</u>	<u>\$ 7,737,753</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate – The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare trend rates – see tables below.

	1% Decrease (5.1%)	Current Healthcare Cost (6.1%)	1% Increase (7.1%)
Total OPEB liability	<u>\$ 7,370,504</u>	<u>\$ 8,318,088</u>	<u>\$ 9,451,512</u>

NOTES TO FINANCIAL STATEMENTS

The trend assumptions for medical, pharmacy, and retiree premiums are summarized below:

<u>Year Beginning Oct 1</u>	<u>Trend</u>	<u>Year Beginning Oct 1</u>	<u>Trend</u>
2020	6.10%	2049-2050	4.60%
2021	5.60%	2051-2060	4.50%
2022	5.20%	2061-2064	4.40%
2023	5.00%	2065	4.30%
2024	4.90%	2066	4.20%
2025	4.80%	2067-2068	4.10%
2026	4.70%	2069	4.00%
2027	4.60%	2070-2071	3.90%
2028-2034	4.50%	2072	3.80%
2035-2043	4.60%	2073+	3.70%
2044-2048	4.70%		

For the year ended September 30, 2021, the City recognized OPEB expense of \$1,138,261. At September 30, 2021, the City's actuarial valuation reported deferred outflows of resources of \$2,727,910. At September 30, 2021, the City's actuarial valuation reported deferred inflows of resources of \$18,034.

Deferred Inflows and Outflows

As of September 30, 2021, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$0	\$ 2,620,934
Changes of assumptions	18,034	106,976
Total	\$18,034	\$ 2,727,910

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

<u>Year ended September 30</u>	
2022	\$585,038
2023	585,038
2024	585,038
2025	585,038
2026	356,013
2027 & beyond	13,712

G. Retirement Commitments

Plan Descriptions

The City participates in four state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the City's full-time employees: Municipal Employees' Retirement System (MERS), Municipal Police Employees' Retirement System (MPERS), Firefighters' Retirement System (FRS) and Louisiana State Employees' Retirement System (LASERS) of the State of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans

NOTES TO FINANCIAL STATEMENTS

administered by separate boards of trustees. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual, publicly-available financial reports that include financial statements and required supplementary information for the systems. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. The City of Lake Charles implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. Additional disclosures with respect to GASB 68 to the City's participation in these systems are provided below. The reports for MERS, MPERS, FRS, and LASERS may be obtained at www.mersla.com, www.lampers.org, www.lafirefightersret.com and www.lasersonline.org respectively. The Municipal Employees' Retirement System (MERS) issues a publicly available financial report, which may be obtained by writing to that system at 9737 Office Park Boulevard, Baton Rouge, LA 70809. The financial report for the Municipal Police Employees' Retirement System (MPERS) may be obtained by writing to that system at 8401 United Plaza Boulevard Suite 270, Baton Rouge, LA 70809-7017. The financial report for the Firefighters' Retirement System (FRS) may be obtained by writing to that system at P.O. Box 94095, Capitol Station, Baton Rouge, LA 70804-9095. The financial report for LASERS may be obtained by writing to that system at 8401 United Plaza Blvd., #100, Baton Rouge, LA 70809.

Plan Description- MERS

MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana and is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City of Lake Charles are members of Plan B. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all full-time elected municipal officials are eligible to participate in MERS.

Plan Description- MPERS

All full-time police department employees engaged in law enforcement are required to participate in MPERS providing he or she does not have to pay social security and providing he or she meets the statutory criteria. MPERS provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through MPERS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

Plan Description- FRS

The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing, multiple-employer, defined benefit pension plan. Membership in the System is a condition of employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability include all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

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Any person who becomes an employee as defined in LRS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment.

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

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

Plan Description- LASERS

The City of Lake Charles has two Judges participating in LASERS. The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of LRS 11:401, as amended, for eligible state officers, employees and their beneficiaries. The projection of benefit payments in the calculation of total pension liability includes all benefits to be provided to current active and inactive employees through LASERS in accordance with benefit terms and any legal agreements in force at the measurement date.

Benefits Provided

Retirement Benefits- MERS (Plan B)

Any member of Plan B hired before January 1, 2013 may retire at any age with 30 years of creditable service or at age 60 with at least 10 years of creditable service. Any member of Plan B hired on or after January 1, 2013 may retire at age 67 with at least 7 years of creditable service, at age 62 with at least 10 years of creditable service, or at age 55 with at least 30 years of creditable service. Members hired on or after January 1, 2013 are also eligible to retire at any age with at least 25 years of creditable service, but their benefit will be actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any of the previously-mentioned provisions, if the member had continued in service to that age. Members are entitled to a retirement benefit, payable monthly for life, equal to 2% of the member's final compensation (defined below) multiplied by the member's years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

Final average compensation is the average monthly earnings during the highest 60 consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Retirement Benefits- MPERS

Members of MPERS with membership beginning prior to January 1, 2013 are eligible for regular retirement after he or she has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years of creditable service and is age 55. A member is eligible for early retirement after he or she has been a member of MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Members are entitled to a retirement

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benefit, payable monthly for life, equal to three and one-third percent (3.33 percent) of the member's final compensation (employee's average salary over the 36 consecutive or joined months that produce the highest average) multiplied by the member's years of creditable service.

Members of MPERS with membership beginning on or after January 1, 2013 are eligible for regular retirement, early retirement, disability and survivor benefits based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of MPERS and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of MPERS and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he or she has been a member of MPERS for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100 percent of final salary.

In 1999, the State Legislature authorized MPERS to establish an Initial Benefit Option program. This is available to MPERS members who are eligible for regular retirement but have not participated in DROP. This program provides both a one-time single sum payment of up to 36 months of the regular monthly retirement benefit, plus a reduced monthly retirement benefit for life.

Retirement Benefits- FRS

Members of the FRS with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333 percent of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement.

Retirement Benefits- LASERS

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Members may also choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5 percent to 3.5 percent of average compensation multiplied by the number of years of creditable service. Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans.

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Members in the regular plan will receive a 2.5 percent accrual rate, hazardous duty plan a 3.33 percent accrual rate, and judges a 3.5 percent accrual rate. Act 992 eliminated the extra 1 percent accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, house clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan. A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement is ten years of service.

Deferred Retirement Options

In lieu of terminating employment and accepting a service retirement allowance, any member of MERS who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. A MERS member may participate in DROP only once. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment, are credited to the MERS member's individual DROP account. Interest is earned when the member has completed DROP participation. Upon termination of employment prior to or at the end of the participation period, the member may receive a lump sum from the account or a true annuity based on the account balance. If employment is not terminated at the end of the three year DROP participation period, payments into the DROP account cease and the person resumes active contributing membership in MERS.

A member of MPERS is eligible to enter DROP when he or she is eligible for regular retirement based on the members' sub plan participation. At the entry date into DROP, employee and employer contributions cease. The amount deposited into the DROP account for MPERS members is equal to the benefit computed under the retirement plan elected by participant date of application. Interest is earned when the MPERS member has completed DROP participation. Upon termination of employment prior to or at the end of the participation period, the MPERS member may receive a lump sum from the account or a true annuity based on the account balance.

A member of FRS may elect to participate in the deferred retirement option plan (DROP) for up to 36 months, after completing 20 years of creditable service and age 50 or 25 years at any age. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires. Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

A member of LASERS is eligible to enter DROP when he or she is eligible for regular retirement based on service requirements. The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For

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members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors. Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

Disability Benefits

A member of MERS Plan B is eligible to retire and receive a disability benefit if he or she has at least 10 years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. The monthly maximum retirement benefit under Plan B of MERS is the lesser of an amount equal to two percent of member's final compensation multiplied by years of service (not less than 30 percent of member's final compensation) or an amount equal to what the member's normal retirement benefit would be based on final compensation at time of disability, but assuming continuous service until member's earliest normal retirement age.

A member of MPERS is eligible to retire and receive a disability benefit if he or she has been certified as disabled by the State Medical Disability Board. If the disability incurred is job-related, there is no minimum creditable service requirement. If the disability is non-job-related, a minimum of 10 years of creditable service is required if the member was employed on or after July 1, 2008. Members of MPERS employed prior to July 1, 2008 must have a minimum of 5 years of creditable service to be eligible to retire with disability benefits if the disability incurred is non-job-related. The disability benefit received by a MPERS member is equal to three percent of his or her final average compensation multiplied by years of creditable service (not less than 40%, nor more than 60% of final average compensation). At the time the disabled MPERS member reaches normal retirement age, he or she will have the option to continue to receive the disability retirement benefit or to receive his or her vested retirement benefit.

A member of FRS disability benefit or any member who has been officially certified as totally disabled solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member, is entitled to disability benefits. Any member under the age of fifty who becomes totally disabled will receive a disability benefit equal to 60 percent of final compensation for an injury received in the line of duty; or 75 percent of his accrued retirement benefit with a minimum of 25 percent of average salary for any injury received, even though not in the line of duty. Any member age fifty or older who becomes totally disabled from an injury sustained in the line of duty is entitled to a disability benefit equal to the greater of 60 percent final compensation or his accrued retirement benefit. Any member age fifty or older who becomes totally disabled as a result of any injury, even though not in the line of duty, is entitled to a disability benefit equal to his accrued retirement benefit with a minimum of 25 percent of average salary. The surviving spouse of a member who was on disability retirement at the time of death receives a benefit of \$200 per month. When the member takes disability retirement, he may, in addition, take an actuarially reduced benefit in which case the member's surviving spouse receives 50 percent of the disability benefit being paid immediately prior to the death of the disability retiree. The retirement system may reduce benefits paid to a disability retiree who is also receiving workers

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compensation payments.

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

Survivor's Benefit

The surviving spouse (defined as someone married to the deceased member for at least 12 months immediately preceding the member's death) of a MERS Plan B member (not eligible for retirement at the time of death) will receive a survivor benefit, provided that the member had 5 or more years of creditable service. The surviving spouse will be paid either a monthly benefit equal to 30 percent of member's final compensation, payable when surviving spouse attains the age of 60 or becomes disabled, or a monthly benefit equal to actuarial equivalent of the benefit described previously (not less than 15 percent of member's final compensation), payable upon the death of the member. A MERS Plan B member who is eligible for normal retirement at the time of death will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse upon the date of death. Benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Survivor benefits for MPERS members are payable to the surviving spouse or surviving minor child/children of a deceased active contributing member or a deceased disability retiree. Survivor benefits are not payable to survivors of retirees receiving benefits under the provisions of early or normal service retirement. The maximum benefit for a surviving spouse of a MPERS member is equal to the regular retirement formula, regardless of age, but not less than 40 percent or more than 60 percent of the deceased member's final average compensation. There is no requirement for minimum years of creditable service. If the MPERS member is fatally injured in the line of duty, the surviving spouse shall receive a benefit equal to 100 percent of the deceased member's final average compensation, less any survivor benefits payable to a child or children. Each surviving minor child of the MPERS member will receive a benefit equal to 10 percent of deceased member's final average compensation or \$200 per month, whichever is greater. Benefits for a surviving child cease upon the child's attainment of age 18 or upon marriage, whichever occurs first. The benefit may continue after age 18 if the child meets certain educational or disability requirements. The surviving minor child may receive an increased benefit if there is no surviving spouse of the MPERS member.

Survivor benefits for FRS are payable to survivors of a deceased member who dies and is not eligible for retirement as follows. If any member is fatally injured in the line of duty and leaves a surviving eligible spouse, the spouse is entitled to an annual benefit equal to two-thirds of the deceased member's final compensation. If any member dies from a cause not in the line of duty, the surviving spouse is entitled to an annual benefit equal to 3 percent of the deceased member's average final compensation multiplied by his total years of creditable service; however, in no event is the annual benefit less than 40 percent nor more than 60 percent of the deceased member's average final compensation. Children of the deceased member who are under the age of eighteen years are entitled to the greater of \$200 per month or 10 percent of average final compensation (not to exceed 100 percent of average final compensation) until reaching the age of eighteen or until the age of twenty-two if enrolled full-time in an institution of higher learning, unless the surviving child is physically handicapped or mentally disabled in which case the benefit is payable regardless of age. If a deceased member dies leaving no surviving spouse, but at least one minor child, each child is entitled to receive forty percent of the deceased's average final compensation, not to exceed an aggregate of sixty percent of average final compensation.

Certain eligible LASERS surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of

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which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

Cost of Living Increases

MERS is authorized under state law to grant an annual cost of living adjustment to members who have been retired for at least one year. The adjustment cannot exceed 2 percent of the retiree's original benefit and may only be granted if sufficient funds are available. The cost of living increase must be paid from investment income in excess of normal requirements.

MPERS is authorized to provide annual cost of living adjustments to members who have been retired for at least one full fiscal year. The adjustment cannot exceed 3 percent in any given year. MPERS members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

FRS is authorized to grant retired members and widows of members who have retired an annual cost of living increase up to 3 percent of their current benefit, and all retired members and widows who are 65 year of age and older a 2 percent increase in their annual benefits. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to finding status and interest earnings.

The present value of future LASERS retirement benefits are based on benefits currently being paid by the System and include previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic. As fully described in Title 11 of the Louisiana Revised Statutes, LASERS allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved.

Contributions

The MERS, MPERS, FRS, and LASERS employer contribution rates are established annually under LRS 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the system's actuary. Each plan pays a separate actuarially-determined employer contribution rate. For the year ending September 30, 2021 the employer contribution rate for MERS Plan B was 15.50%; MPERS was 29.75%; FRS was 33.75%; and LASERS was 43.70% & 43.00% for those hired after January 1, 2011. Employer contributions to MERS, MPERS, FRS, and LASERS were \$2,693,440; \$2,989,664; \$2,707,718; and \$14,870 respectively, for the year ended September 30, 2021. Employees participating in MERS are required to contribute 5.00%; employees participating in MPERS are required to contribute 10.00%; employees participating in the FRS are required to contribute 10.00%; employees participating in LASERS are required to contribute 11.50% & 13% hired after January 1, 2011.

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. MERS receives ad valorem taxes and state revenue sharing funds. MPERS receives insurance premium tax monies appropriated by the legislature each year based on an actuarial study. FRS receives insurance premium tax monies appropriated by the legislature each year based on an actuarial study. The City of Lake Charles recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended September 30, 2021, the City of Lake Charles recognized revenue as a result of support received from non-employer

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contributing entities of \$580,547 for its participation in MERS; \$665,728 for its participation in MPERS; \$943,115 for its participation in the FRS; and (\$995) for its participation in LASERS.

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

At September 30, 2021, the City of Lake Charles reported a liability for MERS, MPERS, FRS, and LASERS of \$13,456,509, \$15,879,715, \$11,699,407, and \$97,365, respectively, for its proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2021 and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuations as of that date. The City of Lake Charles's proportion of the net pension liability for each retirement system was based on a projection of the City of Lake Charles's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City of Lake Charles's proportion for MERS was 23.992659% and decreased by 0.764095% to 23.228564% for June 30, 2021. The City's proportion of MPERS at June 30, 2020 was 2.906732% and increased by 0.072271% to 2.979003% at June 30, 2021. The City's proportion of FRS was 3.354538% at June 30, 2020 and decreased by 0.053213% to 3.301325% at June 30, 2021. At June 30, 2020, the City of Lake Charles's proportion for LASERS was 0.001760% and increased by 0.000010% to 0.001770% for June 30, 2021.

For the year ended September 30, 2021, the City of Lake Charles recognized pension expense, for which there were no forfeitures, as follows:

Pension Plan	Pension Expense
MERS	\$ 1,844,266
MPERS	753,526
FRS	761,291
LASERS	6,494
Total	\$ 3,365,577

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At September 30, 2021, the City of Lake Charles reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources					
	MERS	MPERS	FRS	LASERS	Total
Differences between expected and actual experience	\$ -	\$ -	\$ 166,959	\$ 96	\$ 167,055
Changes in assumptions	544,575	1,758,594	2,535,177	2,385	4,840,731
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	-
Changes in Proportion and differences between employer contributions and proportionate share of contributions	105,629	468,073	245,866	-	819,568
Employer contributions subsequent to measurement date	632,649	638,014	698,903	3,692	1,973,258
Total	\$ 1,282,853	\$ 2,864,681	\$ 3,646,905	\$ 6,173	\$ 7,800,612

Deferred Inflows of Resources					
	MERS	MPERS	FRS	LASERS	Total
Differences between expected and actual experience	\$ 555,318	\$ 489,046	\$ 1,050,633	\$ -	\$ 2,094,997
Changes in assumptions	-	452,981	-	-	452,981
Net difference between projected and actual earnings on pension plan investments	3,636,488	7,414,576	7,099,885	22,705	18,173,654
Changes in Proportion and differences between employer contributions and proportionate share of contributions	404,973	255,591	1,351,051	-	2,011,615
Employer contributions subsequent to measurement date	-	-	-	-	-
Total	\$4,596,779	\$8,612,194	\$9,501,569	\$22,705	\$22,733,247

During the year ended September 30, 2021, employer contributions totaling \$632,649; \$638,014; \$698,903; and \$3,692 were made subsequent to the measurement date for MERS, MPERS, FRS, and LASERS respectively. These contributions are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year Ended June 30:	MERS	MPERS	FRS	LASERS
2022	\$ (737,394)	\$ (1,302,050)	\$ (1,306,393)	\$ (1,459)
2023	(988,111)	(1,267,471)	(1,324,198)	(3,499)
2024	(943,168)	(1,261,512)	(1,798,857)	(5,159)
2025	(1,277,899)	(2,554,494)	(2,299,655)	(10,108)
2026			53,453	
2027			122,083	
Total	\$ (3,946,572)	\$ (6,385,527)	\$ (6,553,567)	\$ (20,225)

Actuarial Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. The components of the net pension liability of MERS, MPERS, FRS, and LASERS employers as of June 30, 2021 are as follows:

	MERS Plan B	MPERS
Total pension liability	\$ 277,663,255	\$ 3,350,028,394
Plan fiduciary net position	219,732,397	2,816,973,727
Total net pension liability	\$ 57,930,858	\$ 533,054,667

	FRS	LASERS
Total pension liability	\$ 2,681,184,069	\$ 20,220,320,534
Plan fiduciary net position	2,326,798,869	14,716,344,767
Total net pension liability	\$ 354,385,200	\$ 5,503,975,767

The City of Lake Charles's allocation is 23.228564% of the Total Net Pension Liability for MERS; 2.979003% of the Total Net Pension Liability for MPERS; 3.301325% of the Total Net Pension Liability for the FRS, and 0.001770% of the Total Net Pension Liability for LASERS.

The total pension liabilities for MERS, MPERS, FRS, and LASERS in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

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	MERS	MPERS												
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost												
Expected remaining service lives	3 years	4 years												
Investment rate of return	6.85%, net of investment expense, including inflation	6.75%, net of investment expense												
Inflation rate	2.5%	2.5%												
Projected salary increases	<table><tr><td>Years of Service</td><td>Salary Growth Rate</td></tr><tr><td>1-4</td><td>7.4% (Plan B)</td></tr><tr><td>5 & over</td><td>4.9% (Plan B)</td></tr></table>	Years of Service	Salary Growth Rate	1-4	7.4% (Plan B)	5 & over	4.9% (Plan B)	<table><tr><td>Years of Service</td><td>Salary Growth Rate</td></tr><tr><td>1-2</td><td>12.3%</td></tr><tr><td>3 & over</td><td>4.7%</td></tr></table>	Years of Service	Salary Growth Rate	1-2	12.3%	3 & over	4.7%
Years of Service	Salary Growth Rate													
1-4	7.4% (Plan B)													
5 & over	4.9% (Plan B)													
Years of Service	Salary Growth Rate													
1-2	12.3%													
3 & over	4.7%													
Cost of living adjustments	None	None												
Mortality	For Annuitant and beneficiary mortality tables used were: PubG-2010(B) set equal to 120%. For employees, PubG-2010(B) tables set equal to 120% were used. PubNS-2010(B) table set equal to 120% was selected for disabled annuitants. Annuitant/beneficiary, employee, and disabled were all adjusted to male and female MP2018 scales.	Mortality Rate assumptions were based off an experience study performed from July 1, 2014 - June 30, 2019. For Healthy Annuitants, Beneficiaries, & Employees mortality tables used were: Pub-2010 set equal to 115% for males & 125% for females. Pub-2010 table set equal to 105% for males & 115% for females was selected for disabled annuitants. Full generational projection used MP2019 scales.												

	FRS	LASERS																		
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost																		
Expected remaining service lives	7 years	2 years																		
Investment rate of return	6.90%, net of investment expense including inflation	7.40%, net of investment expense																		
Inflation rate	2.5%	2.3%																		
Projected salary increases	<table><tr><td>Years of Service</td><td>Salary Growth Rate</td></tr><tr><td>1-2</td><td>14.1%</td></tr><tr><td>3 & over</td><td>5.2%</td></tr></table>	Years of Service	Salary Growth Rate	1-2	14.1%	3 & over	5.2%	<table><tr><td>Member Type</td><td>Lower to Upper Range</td></tr><tr><td>Regular</td><td>3.0% - 12.8%</td></tr><tr><td>Judges</td><td>2.6% - 5.1%</td></tr><tr><td>Corrections</td><td>3.6% - 13.8%</td></tr><tr><td>Hazardous Duty</td><td>3.6% - 13.8%</td></tr><tr><td>Wildlife</td><td>3.6% - 13.8%</td></tr></table>	Member Type	Lower to Upper Range	Regular	3.0% - 12.8%	Judges	2.6% - 5.1%	Corrections	3.6% - 13.8%	Hazardous Duty	3.6% - 13.8%	Wildlife	3.6% - 13.8%
Years of Service	Salary Growth Rate																			
1-2	14.1%																			
3 & over	5.2%																			
Member Type	Lower to Upper Range																			
Regular	3.0% - 12.8%																			
Judges	2.6% - 5.1%																			
Corrections	3.6% - 13.8%																			
Hazardous Duty	3.6% - 13.8%																			
Wildlife	3.6% - 13.8%																			
Cost of living adjustments	Only those previously granted	Only those previously granted																		
Mortality	Mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees for active members, healthy annuitants & beneficiaries, and disabled retirees. In all cases the base table was multiplied by 105% for males and 115% for females, with full generational projection using MP-2019 scales.	For Non-Disabled Members - RP-2014 Healthy Annuitant mortality table was used with mortality improvement projected using the MP-2018 scale. For Disabled Members - RP-2000 Disabled Retiree mortality table was used with no projection for mortality improvement. Termination, disability, and retirement assumptions were projected based off a 5 year experience study for the System's members.																		

NOTES TO FINANCIAL STATEMENTS

The MERS actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018. The MPERS and FRS actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2019.

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return for MERS is 6.95%, MPERS is 7.30%, FRS is 7.74%, and LASERS is 7.61% for the year ended June 30, 2021.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for MERS, MPERS, FRS and LASERS as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocations				Long Term Expected Real Rate of Return			
	MERS	MPERS	FRS	LASERS	MERS	MPERS	FRS	LASERS
Equity	53%	55.5%	56%	n/a	2.31%	3.48%	3.70%	n/a
Fixed income	38%	30.5%	26%	n/a	1.65%	0.59%	0.33%	n/a
Alternatives	9%	14.0%	18%	n/a	0.39%	1.01%	1.21%	n/a
Subtotal	100%	100%	100%	n/a	4.35%	5.08%	5.24%	5.31%
Inflation adjustment					2.60%	2.22%	2.50%	2.30%
Total					6.95%	7.30%	7.74%	7.61%

Discount Rates

The discount rate used to measure the total pension liability for MERS was 6.85%, MPERS was 6.75%, and FRS was 6.90%. The discount rate used to measure the total pension liability for LASERS was 7.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the actuary. Based on those assumptions, the net position of MERS, MPERS, FRS, and LASERS were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the City of Lake Charles's proportionate share of the net pension liability using the discount rate of 6.85% for MERS, 6.75% for MPERS, 6.90% for FRS, and 7.40% for

NOTES TO FINANCIAL STATEMENTS

LASERS as well as what the City of Lake Charles's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.85% for MERS, 5.75% for MPERS, 5.90% for FRS, and 6.40% for LASERS) or one percentage-point higher (7.85% for MERS, 7.75% for MPERS, 7.90% for FRS, and 8.40% for LASERS) than the current rate:

Pension Plan	1% Decrease	Net Pension Liability at Current Discount	1% Increase
MERS	\$ 20,645,077	\$ 13,456,509	\$ 7,376,322
MPERS	27,675,834	15,879,715	6,033,936
FRS	22,444,451	11,699,407	2,738,156
LASERS	131,923	97,365	67,961
Total	\$ 70,897,285	\$ 41,132,996	\$ 16,216,375

Payables to the Pension Plans

At September 30, 2021, payables to MERS, MPERS, FRS, and LASERS were \$273,800, \$280,524, \$304,323, and \$1,603 respectively, for September 30, 2021 employee and employer legally-required contributions.

H. Federally Assisted Grant Programs

The City participates in a number of federally assisted grant programs, with the principal grantor agencies being the U.S. Department of Transportation, the Department of Housing and Urban Development, and the U.S. Department of Military Affairs. These programs are subject to compliance audits by the grantors or their representatives, and the City's compliance with applicable grant requirements for the year ended September 30, 2021 will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Federal and state governmental units represent an important source of supplemental funding used to finance housing, construction and infrastructure programs, and other activities beneficial to the City. These funds, primarily in the form of grants, are recorded in the General, Special Revenue, Capital Project and Enterprise Funds. A grant receivable is recorded when the City has a right to reimbursement under the related grant. The grants normally specify the purpose for which the funds may be used and are subject to audit by the granting agency or its representative using standards established under the Single Audit Act of 1984 and Uniform Guidance Supplemental Reports. The compliance audit report is not included within this report but will be issued as a separate supplementary report.

NOTES TO FINANCIAL STATEMENTS

During fiscal year 2021, the following amounts were recorded in the accompanying financial statements under various federal and state pass-through entitlements:

Fund	Fiscal year 2021
Community Development	\$ 381,381
Grant Fund	240,199
Capital Projects Fund	8,459,493
Transit Enterprise Fund	3,416,429
Recreation Fund	2,250
Disaster Recovery Fund	72,301,068

I. Dedication of Proceeds and Flow of Funds - Two and One-Half Percent Sales and Use Tax

One Percent Sales and Use Tax:

Proceeds of the one percent sales tax levied by the City of Lake Charles (2021 collections \$32,801,002; 2020 collections \$25,125,185; 2019 collections \$26,711,079) are collected by the General Fund and may be used for virtually any operating or capital needs of the City of Lake Charles. This tax levy was originally authorized in 1965 and was recently re-authorized for an additional 25 years from March 1, 2015.

Additional Dedicated One Percent Sales Tax:

In November 1986, a sales tax election was held, and the City of Lake Charles was authorized to collect an additional dedicated one percent sales tax levy for a period of five years commencing January 1, 1987. This tax has since been reauthorized for periods of five years extending through 1996, and then for ten years through 2006. This tax was re-authorized in 2016 for an additional 10 years through 2026. Proceeds of this additional one percent sales tax levied by the City of Lake Charles (2021 collections \$32,801,002; 2020 collections \$25,125,185; 2019 collections \$26,711,079) were deposited directly to the funds for which they are dedicated on a percentage basis as follows:

General Fund	
Public safety purposes	20%
Public works purposes	28%
Wastewater Special Revenue Fund	
Wastewater or sanitary sewerage services or facilities	16%
Recreation Special Revenue Fund	
Recreation	8%
Capital Project Fund	
Certain types of capital improvements	28%

One-Quarter Percent Sales Tax – Employee salary and Benefits:

The voters approved a sales tax levy of one-quarter of one percent in January 1995 for the purpose of maintaining the salaries and benefits of City employees. This tax levy is authorized for a period of ten years from its effective date of April 1, 1995. This tax has been reauthorized for ten years, extending through 2025.

NOTES TO FINANCIAL STATEMENTS

Proceeds of this tax (2021 collections \$8,200,244; 2020 collections \$6,238,871; 2019 collections \$6,677,655) are recorded exclusively in the General Fund.

Additional One-Quarter Percent Sales Tax:

The voters approved a sales tax levy of one-quarter of one percent in October 2015 for the purpose of securing the bonded debt of the City, should primary sources of repayment become insufficient. Funds not used for this purpose shall be reauthorized for capital improvements. The balance of funds not otherwise needed for the bond reserve fund shall be used to pay for salaries, operational, maintenance and other capital needs. This tax levy is authorized for a period of fifteen years from its effective date of January 1, 2016. Proceeds of this tax (2021 collections \$8,198,239; 2020 collections \$6,212,813; 2019 collections \$6,619,849; 2018 collections \$6,635,894) were deposited into the General Fund and the Sales Tax Reserve Fund.

J. Economic Development Districts

State Law authorizes the City of Lake Charles to create special economic development districts and political subdivisions of the State to be designated by an ordinance that shall designate the boundaries of the district. The district may levy new sales taxes that can be used to fund a portion of the costs of an economic development project within the defined district. Two of the City's economic development districts levy a sales tax and the proceeds of these are included in the Economic Development District Special Revenue Fund.

MorganField Economic Development District:

Per City ordinance adopted June 2018, the District is empowered to levy ad valorem taxes, sales taxes or hotel occupancy taxes within the District up to five mills of ad valorem taxes, up to two percent of sales taxes, or up to two percent of hotel occupancy taxes, or any combination of such taxes. Such levy would be above and in addition to any other ad valorem taxes, sales taxes, or hotel occupancy taxes, or combination of such taxes, then in existence or permitted to be in existence in the economic development district.

Owners of the property within the district requested that the Board of the MorganField District authorize (a) the levy of one percent of sales and use taxes upon the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property and on sales of services in the MorganField District and one percent of hotel occupancy taxes within the MorganField District commencing January 1, 2018; and (b) the pledge and the disbursement of the new tax for the benefit of the owners in completing and operating the project.. Proceeds of this tax are as follows: (2021 collections \$96,911; 2020 collections \$47,558; 2019 collections \$27,910).

Lakefront Economic Development District:

Per City ordinance adopted June 2018, the District is empowered to levy ad valorem taxes, sales taxes, or hotel occupancy taxes within the district up to five mills of ad valorem taxes, up to two percent of sales taxes, or up to two percent of hotel occupancy taxes, or any combination of such taxes. Such levy would be above and in addition to any other ad valorem taxes, sales taxes, or hotel occupancy taxes, or combination of such taxes, then in existence or permitted to be in existence within the district. Proceeds of this tax are as follows: (2021 collections \$26,078; 2020 collections \$23,317; 2019 collections \$20,551).

Nelson Market Economic Development District:

Per City ordinance adopted August 2019, the District is empowered to levy ad valorem taxes, sales taxes, or hotel occupancy taxes within the district up to five mills of ad valorem taxes, up to two percent of sales taxes, or up to two percent of hotel occupancy taxes, or any combination of such taxes. Such levy would be above and in addition to any other ad valorem taxes, sales taxes, or hotel occupancy taxes, or combination of such taxes, then in existence or permitted to be in existence within the district.

The Owners intend to develop the Property together with other property owned by Owners, as commercial project ("Project") in multiple phases. Owners of the property within the district requested that the Board of the

NOTES TO FINANCIAL STATEMENTS

Nelson Market District authorize (a) the levy of one (1%) of sales and use taxes upon the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property and on sales of services in the Nelson Market District and one (1%) percent of hotel occupancy taxes within the Nelson Market District commencing January 1, 2020; and (b) the pledge and the disbursement of the New Tax for the benefit of the Owners in completing and operating the project. Proceeds of this tax are as follows: (2021 collections \$45,182).

K. Schedule of Compensation Paid to Governing Board

	Salary	Vehicle Usage	Per Diem	Total
Mayor:				
Nicholas Hunter	\$ 137,719	\$ 7,200	\$ 215	\$ 145,134
Councilmen:				
Luvertha August	18,000			18,000
Mark Eckard	18,000			18,000
Rodney Geyen	18,000			18,000
John Ieyoub	18,000	142	76	18,218
Craig Marks	4,500	149	68	4,717
Mary Morris	15,400			15,400
Marshall Simien	1,500			1,500
Johnnie Thibodeaux	13,500			13,500
Stuart Weatherford	15,000			15,000
Total	\$ 259,619	\$ 7,491	\$ 359	\$ 267,469

L. Subsequent Events

Following historic rainfall and flooding on May 17, 2021 and continuous flooding during later rain events, the City decided to take measures to address area drainage problems. The city council approved a drainage proposal on June 8, 2021 to issue up to \$20 million in bonds to address these drainage problems within the city boundaries, including the hiring of a consultant to lead this drainage initiative. The city issued \$10 million in bonds in December 2021. The issued bonds will be repaid over a term not to exceed 10 years, at a rate of 1.90 percent per annum.

REQUIRED SUPPLEMENTAL INFORMATION



CITY OF LAKE CHARLES, LOUISIANA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For Fiscal Year Ended September 30, 2021

	Budgeted Amounts		2021	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	\$ 61,992,566	\$ 72,497,566	\$ 75,682,331	\$ 3,184,765
Licenses and permits	6,620,200	5,920,200	6,937,495	1,017,295
Intergovernmental	3,448,540	3,448,540	3,288,965	(159,575)
Charges for services	2,998,339	2,998,339	2,585,762	(412,577)
Fines and forfeitures	185,000	185,000	231,726	46,726
Miscellaneous	959,150	959,150	1,054,684	95,534
Total revenues	<u>76,203,795</u>	<u>86,008,795</u>	<u>89,780,963</u>	<u>3,772,168</u>
Expenditures:				
Current:				
General government	3,990,010	3,990,010	3,763,436	226,574
Finance	2,149,835	2,149,835	1,885,244	264,591
Human Resources	461,755	461,755	396,814	64,941
Fire	18,980,120	18,980,120	18,480,718	499,402
Police	22,057,413	21,557,413	19,843,401	1,714,012
Public works	18,149,512	17,149,512	15,305,796	1,843,716
Planning	2,714,315	2,714,315	2,487,412	226,903
General services	6,556,335	6,556,335	5,203,721	1,352,614
Total expenditures	<u>75,059,295</u>	<u>73,559,295</u>	<u>67,366,542</u>	<u>6,192,753</u>
Excess (deficiency) of rev over exp	<u>1,144,500</u>	<u>12,449,500</u>	<u>22,414,421</u>	<u>9,964,921</u>
Other financing sources (uses):				
Transfers out	<u>(7,140,741)</u>	<u>(14,940,741)</u>	<u>(14,923,432)</u>	<u>17,309</u>
Total other financing sources (uses)	<u>(7,140,741)</u>	<u>(14,940,741)</u>	<u>(14,923,432)</u>	<u>17,309</u>
Net change in fund balances	(5,996,241)	(2,491,241)	7,490,989	9,982,230
Fund balance at beginning of year	<u>30,357,152</u>	<u>30,357,152</u>	<u>30,357,152</u>	<u>-</u>
Fund balance at end of year	<u>\$ 24,360,911</u>	<u>\$ 27,865,911</u>	<u>\$ 37,848,141</u>	<u>\$ 9,982,230</u>

CITY OF LAKE CHARLES, LOUISIANA
Disaster Recovery Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2021

	Budgeted Amounts		2021	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental				
(net of allowance for uncollectable)	\$ 1,234,179	\$ 48,981,500	\$ 60,603,562	\$ 11,622,062
Insurance Reimbursement	-	44,400,000	44,519,191	119,191
Miscellaneous	394,726	16,000	16,000	-
Total revenues	<u>1,628,905</u>	<u>93,397,500</u>	<u>105,138,753</u>	<u>11,741,253</u>
Expenditures:				
Current:				
Personal services	-	1,110,000	1,069,018	40,982
Maintenance and rentals	-	3,710,000	3,513,646	196,354
Contractual and operational	1,578,905	66,900,000	65,511,575	1,388,425
Materials & supplies	25,000	1,484,000	1,326,023	157,977
Major Acquisitions & Improvements	-	8,510,000	7,766,886	743,114
Special current charges	25,000	10,925,000	10,286,629	638,371
Total expenditures	<u>1,628,905</u>	<u>92,639,000</u>	<u>89,473,777</u>	<u>3,165,223</u>
Excess (deficiency) of rev over exp	<u>-</u>	<u>758,500</u>	<u>15,664,976</u>	<u>14,906,476</u>
Other financing sources (uses):				
Transfers in	-	9,800,000	10,200,000	400,000
Transfers out	-	-	(199,567)	(199,567)
Total other financing sources (uses)	<u>-</u>	<u>9,800,000</u>	<u>10,000,433</u>	<u>200,433</u>
Excess (deficiency) of rev and other sources over exp and other uses	<u>-</u>	<u>10,558,500</u>	<u>25,665,409</u>	<u>15,106,909</u>
Fund balance at beginning of year	<u>5,298,415</u>	<u>5,298,415</u>	<u>5,298,415</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,298,415</u>	<u>\$ 15,856,915</u>	<u>\$ 30,963,824</u>	<u>\$ 15,106,909</u>

CITY OF LAKE CHARLES, LOUISIANA
Riverboat Gaming Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2021

	Budgeted Amounts		2021	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	\$ 8,500,000	\$ 7,800,000	\$ 7,844,826	\$ 44,826
Miscellaneous	20,000	12,000	12,955	955
Total revenues	<u>8,520,000</u>	<u>7,812,000</u>	<u>7,857,781</u>	<u>45,781</u>
Expenditures:				
Other services and charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>8,520,000</u>	<u>7,812,000</u>	<u>7,857,781</u>	<u>45,781</u>
Other financing sources (uses):				
Transfers out	(9,134,640)	(8,989,640)	(8,950,175)	39,465
Total other financing sources (uses)	<u>(9,134,640)</u>	<u>(8,989,640)</u>	<u>(8,950,175)</u>	<u>39,465</u>
Excess (deficiency) of rev and other sources over exp and other uses	(614,640)	(1,177,640)	(1,092,394)	85,246
Fund balance at beginning of year	<u>1,276,444</u>	<u>1,276,444</u>	<u>1,276,444</u>	<u>-</u>
Fund balance at end of year	<u>\$ 661,804</u>	<u>\$ 98,804</u>	<u>\$ 184,050</u>	<u>\$ 85,246</u>

CITY OF LAKE CHARLES, LOUISIANA
Wastewater Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2021

	Budgeted Amounts		2021	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Sales tax revenue	\$ 4,000,000	\$ 4,800,000	\$ 5,248,160	\$ 448,160
Charges for services	13,084,500	10,534,500	10,591,306	56,806
Miscellaneous	130,500	20,500	43,595	23,095
Total revenues	<u>17,215,000</u>	<u>15,355,000</u>	<u>15,883,061</u>	<u>528,061</u>
Expenditures:				
Personal services	4,387,600	3,912,600	3,789,410	123,190
Contractual and operational services	3,954,770	4,047,459	3,525,123	522,336
Materials & supplies	1,455,900	1,393,400	1,057,958	335,442
Special Current Charges	1,689,849	1,720,849	1,586,891	133,958
Capital outlay	1,209,500	123,311	79,991	43,320
Total expenditures	<u>12,697,619</u>	<u>11,197,619</u>	<u>10,039,373</u>	<u>1,158,246</u>
Excess (deficiency) of rev over exp	<u>4,517,381</u>	<u>4,157,381</u>	<u>5,843,688</u>	<u>1,686,307</u>
Other financing sources (uses):				
Transfers in	319,000	319,000	319,000	-
Transfers out	(5,150,000)	(5,150,000)	(5,141,418)	8,582
Total other financing sources (uses)	<u>(4,831,000)</u>	<u>(4,831,000)</u>	<u>(4,822,418)</u>	<u>8,582.00</u>
Excess (deficiency) of rev and other sources over exp and other uses	(313,619)	(673,619)	1,021,270	1,694,889
Fund balance at beginning of year	<u>4,212,740</u>	<u>4,212,740</u>	<u>4,212,740</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,899,121</u>	<u>\$ 3,539,121</u>	<u>\$ 5,234,010</u>	<u>\$ 1,694,889</u>

CITY OF LAKE CHARLES, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

For Fiscal Year Ended September 30, 2021

Budget to Actual schedules that are included in the RSI Section are reported on the same basis as GAAP.

City of Lake Charles
Schedule of Changes in Total OPEB Liability and Related Ratios
For Fiscal Year Ended September 30, 2021

Financial Statement Reporting Date	Measurement Date	Service Cost	Interest	Difference between actual and expected experience	Changes of Assumptions	Benefit Payments	Net change in Total OPEB Liability	Total OPEB Liability - Beginning	Total OPEB Liability - Ending	Covered Payroll	Total OPEB Liability as a Percentage of Covered Payroll
9/30/2021	9/30/2021	\$ 370,490	\$ 182,733	\$ 109,510	\$ (20,990)	\$ (440,861)	\$ 200,882	\$ 8,117,206	\$ 8,318,088	\$ 32,052,136	25.95%
9/30/2020	9/30/2019	\$ 391,295	\$ 214,698	\$ -	\$ 27,822	\$ (390,762)	\$ 243,053	\$ 7,874,153	\$ 8,117,206	\$ 33,948,098	23.91%
9/30/2019	9/30/2019	\$ 246,459	\$ 210,055	\$ 5,309,337	\$ 144,704	\$ (355,885)	\$ 5,554,670	\$ 2,319,483	\$ 7,874,153	\$ 33,948,098	23.19%
9/30/2018	9/30/2018	\$ 80,569	\$ 74,556	N/A	N/A	\$ (169,901)	\$ (14,776)	\$ 2,334,259	\$ 2,319,483	\$ 31,113,777	7.45%

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

There are no assets in a trust compliant with GASB Codification P22.101 or P52.101 to pay related benefits.

CITY OF LAKE CHARLES, LOUISIANA
Schedule of Employer's Proportionate Share Of
Net Pension Liability
For Plan Year Ended June 30, 2021

Plan Year	Employer Proportionate of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<u>MERS:</u>					
2021	23.228564%	\$ 13,456,506	\$ 17,536,638	76.7%	79.1%
2020	23.992659%	21,742,776	18,238,945	119.2%	66.3%
2019	23.580123%	20,628,206	17,873,547	115.4%	66.1%
2018	23.557030%	19,925,284	17,323,152	115.0%	65.6%
2017	23.681348%	20,489,879	17,438,404	117.5%	63.5%
2016	21.782416%	18,055,628	16,114,347	112.0%	63.3%
2015	20.920534%	14,218,580	14,405,300	98.7%	68.7%
2014	20.829217%	9,779,242	14,297,054	68.4%	76.9%
<u>MPERS:</u>					
2021	2.979003%	15,879,715	9,055,281	175.4%	84.1%
2020	2.906732%	26,864,978	8,963,955	299.7%	70.9%
2019	2.905029%	26,382,528	9,096,534	290.0%	71.0%
2018	3.034602%	25,654,711	8,951,135	286.6%	71.9%
2017	3.038824%	26,530,219	9,036,361	293.6%	70.1%
2016	2.900519%	27,186,035	7,918,823	343.3%	66.0%
2015	2.951862%	23,124,753	7,901,901	292.6%	70.7%
2014	2.991097%	18,712,548	7,668,782	244.0%	75.1%
<u>FRS:</u>					
2021	3.301325%	11,699,407	8,280,667	141.3%	86.8%
2020	3.354538%	23,252,146	8,352,641	278.4%	72.6%
2019	3.508136%	21,967,632	8,478,716	259.1%	74.0%
2018	3.640922%	20,942,867	8,670,196	241.6%	74.8%
2017	3.620155%	20,750,182	8,444,443	245.7%	73.5%
2016	3.485849%	22,800,604	8,504,518	268.1%	68.2%
2015	3.543553%	19,124,954	7,530,781	254.0%	72.5%
2014	3.805176%	16,932,704	7,478,773	226.4%	76.0%
<u>LASERS:</u>					
2021	0.001770%	97,365	34,344	283.5%	72.8%
2020	0.001760%	145,150	34,344	422.6%	58.0%
2019	0.001790%	129,756	34,344	377.8%	62.9%
2018	0.001860%	126,510	34,344	368.4%	64.3%
2017	0.001940%	136,413	34,344	397.2%	62.5%
2016	0.001910%	149,984	34,344	436.7%	57.7%
2015	0.001880%	127,800	34,344	372.1%	62.7%
2014	0.001910%	119,368	34,344	347.6%	65.0%

* This schedule will contain ten years of historical information once such information becomes available.

CITY OF LAKE CHARLES, LOUISIANA

Schedule of Employer's Pension Contributions For Fiscal Year Ended September 30, 2021

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions As a Percent of Covered Payroll
MERS:					
2021	\$ 2,693,440	\$ 2,693,440	\$ -	\$ 17,377,039	15.50%
2020	2,608,848	2,608,848	-	18,180,203	14.35%
2019	2,521,041	2,521,041	-	18,007,421	14.00%
2018	2,345,618	2,345,618	-	17,466,943	13.43%
2017	1,968,428	1,968,428	-	17,072,028	11.53%
2016	1,649,933	1,649,933	-	16,491,457	10.00%
2015	1,399,446	1,399,446	-	14,730,952	9.50%
2014	1,276,122	1,276,122	-	14,268,318	8.94%
MPERS:					
2021	2,989,664	2,989,664	-	9,111,746	32.81%
2020	2,918,444	2,918,444	-	8,899,533	32.79%
2019	2,965,386	2,965,386	-	9,178,306	32.31%
2018	2,800,627	2,800,627	-	9,005,739	31.10%
2017	2,748,475	2,748,475	-	8,705,259	31.57%
2016	2,540,782	2,540,782	-	8,216,344	30.92%
2015	2,438,032	2,438,032	-	7,867,402	30.99%
2014	2,415,255	2,415,255	-	7,754,805	31.15%
FRS:					
2021	2,707,718	2,707,718	-	8,299,710	32.62%
2020	2,410,651	2,410,651	-	8,354,308	28.86%
2019	2,244,074	2,244,074	-	8,371,498	26.81%
2018	2,288,192	2,288,192	-	8,636,937	26.49%
2017	2,189,624	2,189,624	-	8,568,354	25.55%
2016	2,147,160	2,147,160	-	8,032,163	26.73%
2015	2,161,180	2,161,180	-	7,518,430	28.75%
2014	2,148,278	2,148,278	-	7,531,809	28.52%
LASERS:					
2021	14,763	14,763	-	34,344	42.99%
2020	14,567	14,567	-	34,344	42.41%
2019	13,831	13,831	-	34,344	40.27%
2018	13,675	13,675	-	34,344	39.82%
2017	13,065	13,065	-	34,344	38.04%
2016	13,163	13,163	-	34,344	38.33%
2015	13,162	13,162	-	34,344	38.32%
2014	12,467	12,467	-	34,344	36.30%

* This schedule will contain ten years of historical information once such information becomes available.

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OTHER SUPPLEMENTAL INFORMATION



CITY OF LAKE CHARLES, LOUISIANA

Schedule of Total Compensation for Mayor, City of Lake Charles For Fiscal Year ended September 30, 2021

Compensation for Mayor of City of Lake Charles fiscal year 2021:

Nicholas Hunter, Mayor October 1, 2020 - September 30, 2021	Amount
Purpose:	
Salary	\$137,719
Vehicle Usage	7,200
Benefits - health insurance	15,497
Benefits - FICA & Medicare	10,523
Benefits - retirement	21,346
Travel	215
Total	\$192,500

CITY OF LAKE CHARLES, LOUISIANA

Schedule of Justice System Funding - Receiving Entity For Fiscal Year Ended September 30, 2021

Justice System Funding Schedule - Receiving Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information	
Entity Name	City of Lake Charles
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2183
Date that reporting period ended (mm/dd/yyyy)	Thursday, September 30, 2021

If legally separate court funds are required to be reported, a separate receiving schedule should be prepared for each fund. Examples include

	First Six Month Period Ended 03/31/21	Second Six Month Period Ended 09/30/21
--	---	--

Cash Basis Presentation

10. Receipts From: (Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)

Lake Charles City Court, Criminal Fines - Other	96,696	98,185
Lake Charles City Court, Other	7,311	4,447
Subtotal Receipts	104,007	102,632

11. Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)

N/A	N/A
-----	-----

Collection Types to be used in the "Receipts From:" section above	
a	Civil Fees
b	Bond Fees
c	Asset Forfeiture/Sale
d	Pre-Trial Diversion Program Fees
e	Criminal Court Costs/Fees
f	Criminal Fines - Contempt
g	Criminal Fines - Other
h	Restitution
i	Probation/Parole/Supervision Fees
j	Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)
k	Interest Earnings on Collected Balances
l	Other (do not include collections that fit into more specific categories above)

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Grant Fund – Accounts for funds received and expended for various categorical grant programs, including law enforcement grants and summer food service program.

Recreation Fund – Accounts for the operation and maintenance of recreational programs and facilities other than the Civic Center and Golf Course, and for the receipt and subsequent expenditure of dedicated taxes, user fees and other funds received for recreational services.

Central School Fund – Accounts for receipt and subsequent expenditure of funds for operation, maintenance and improvements of the Central School Arts and Humanities Center.

Special Event Fund – Accounts for receipt and subsequent expenditure of funds for special events and exhibit costs.

2015 One-quarter Cent Sale Tax Fund – Accounts for the collection of no less than 25 percent of the one-quarter cent sales tax levy authorized in 2015. Funds are reserved to meet the annual bonded debt service requirements of the City, should primary sources of repayment become insufficient. Funds not used for this purpose shall be reauthorized for capital improvements in the subsequent year.

Economic Development Districts - Accounts for the collection of tax revenue generated from special districts which were created as authorized by Part II of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended.

Facility Renewal Fund – Accounts for funds transferred from other sources to provide for long-term accumulation of funds for future maintenance and repair needs.

Community Development – This fund accounts for the receipt and subsequent expenditure of federal funds received from the Department of Housing and Urban Development for housing and community development purposes, including related revenues which are restricted to such purposes by grant agreements. The principal revenue source accounted for within this fund is the Community Development Block Grant Program.

CITY OF LAKE CHARLES, LOUISIANA

Combining Balance Sheet

Nonmajor Governmental Funds

For Fiscal Year Ended September 30, 2021

					2015 One-				Total Nonmajor Governmental
	Grants	Recreation	Central School	Special Events	Quarter Cent Sales Tax	Economic Dev Districts	Facility Renewal	Community Development	Funds
ASSETS									
Cash (Note 4-A)	\$ 692,394	\$ 1,410,748	\$ -	\$ 166,317	\$ 1,864,163	\$ 233,964	\$ 1,180,995	\$ 178,979	\$ 5,727,560
Investments (Note 4-A)	62,256	82,548	57,588	-	-	-	1,163,301	-	1,365,693
Receivable (net of allowance for uncollectable)									
Accounts (Note 4-B)	109	226,904	10,936	-	176,249	25,551	-	480	440,229
Accrued interest	-	-	-	-	-	-	-	-	-
Intergovernmental (Note 4-B)	63,307	7,103	-	-	-	-	-	72,570	142,980
Due from other funds (Note 4-F)	6,643	-	35,000	-	-	-	-	96	41,739
Prepaid items		7,715	-	5,885	-	-	-	771	14,371
Total assets	<u>\$ 824,709</u>	<u>\$ 1,735,018</u>	<u>\$ 103,524</u>	<u>\$ 172,202</u>	<u>\$ 2,040,412</u>	<u>\$ 259,515</u>	<u>\$ 2,344,296</u>	<u>\$ 252,896</u>	<u>\$ 7,732,572</u>
LIABILITIES									
Accounts payable	\$ 10,511	\$ 94,226	\$ 55,437	\$ 240	\$ -	\$ 186	\$ -	\$ 30,480	\$ 191,080
Escrow	-	-	1,821	50	-	-	-	17,282	19,153
Due to other funds	33,522	48,226	-	-	-	-	-	-	81,748
Deferred revenues	-	-	-	5,500	-	-	-	-	5,500
Total liabilities	<u>44,033</u>	<u>142,452</u>	<u>57,258</u>	<u>5,790</u>	<u>-</u>	<u>186</u>	<u>-</u>	<u>47,762</u>	<u>297,481</u>
FUND BALANCES									
Nonspendable	-	7,715	-	5,885	-	-		771	14,371
Committed	-	400,000	700	77,850	2,040,412	259,329	199,000	-	2,977,291
Assigned:									
Community Services	126,309	1,184,851	45,566	82,677	-	-	-	204,363	1,643,766
Public Safety	654,367	-	-	-	-	-	-	-	654,367
Capital Projects	-	-	-	-	-	-	2,145,296	-	2,145,296
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>780,676</u>	<u>1,592,566</u>	<u>46,266</u>	<u>166,412</u>	<u>2,040,412</u>	<u>259,329</u>	<u>2,344,296</u>	<u>205,134</u>	<u>7,435,091</u>
Total liabilities and fund balances	<u>\$ 824,709</u>	<u>\$ 1,735,018</u>	<u>\$ 103,524</u>	<u>\$ 172,202</u>	<u>\$ 2,040,412</u>	<u>\$ 259,515</u>	<u>\$ 2,344,296</u>	<u>\$ 252,896</u>	<u>\$ 7,732,572</u>

CITY OF LAKE CHARLES, LOUISIANA
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For Fiscal Year Ended September 30, 2021

	Grants	Recreation	Central School	Special Events	2015 One- Quarter Cent Sales Tax	Economic Dev Districts	Facility Renewal	Community Development	Total Nonmajor Governmental Funds
Revenues:									
Taxes	\$ -	\$ 3,813,018	\$ -	\$ -	\$ 2,049,560	\$ 168,171	\$ -	\$ -	\$ 6,030,749
Intergovernmental	238,783	64,469	-	-	-	-	-	381,381	684,633
Charges for services	-	3,716	-	-	-	-	-	-	3,716
Miscellaneous	1,289	619	8,026	33,971	9,200	545	5,700	7,465	66,815
Total revenues	<u>240,072</u>	<u>3,881,822</u>	<u>8,026</u>	<u>33,971</u>	<u>2,058,760</u>	<u>168,716</u>	<u>5,700</u>	<u>388,846</u>	<u>6,785,913</u>
Expenditures:									
Current operating:									
Police	552,913	-	-	-	-	-	-	-	552,913
Planning and development	-	-	-	-	-	-	-	407,058	407,058
Community services	11,944	2,997,428	114,738	172,475	-	-	-	-	3,296,585
General services	-	-	-	-	-	4,158	-	-	4,158
Capital projects	-	-	-	-	-	-	-	-	-
Total expenditures	<u>564,857</u>	<u>2,997,428</u>	<u>114,738</u>	<u>172,475</u>	<u>-</u>	<u>4,158</u>	<u>-</u>	<u>407,058</u>	<u>4,260,714</u>
Excess (deficiency) of revenues over expenditures	<u>(324,785)</u>	<u>884,394</u>	<u>(106,712)</u>	<u>(138,504)</u>	<u>2,058,760</u>	<u>164,558</u>	<u>5,700</u>	<u>(18,212)</u>	<u>2,525,199</u>
Other financing sources (uses):									
Transfers in	6,643	330,175	60,000	175,000	-	-	-	25,094	596,912
Transfers out	-	-	-	-	(1,675,000)	-	(150,000)	-	(1,825,000)
Total other financing sources (uses)	<u>6,643</u>	<u>330,175</u>	<u>60,000</u>	<u>175,000</u>	<u>(1,675,000)</u>	<u>-</u>	<u>(150,000)</u>	<u>25,094</u>	<u>(1,228,088)</u>
Net change in fund balances	(318,142)	1,214,569	(46,712)	36,496	383,760	164,558	(144,300)	6,882	1,297,111
Fund balance at beginning of year	<u>1,098,818</u>	<u>377,997</u>	<u>92,978</u>	<u>129,916</u>	<u>1,656,652</u>	<u>94,771</u>	<u>2,488,596</u>	<u>198,252</u>	<u>6,137,980</u>
Fund balance at end of year	<u>\$ 780,676</u>	<u>\$ 1,592,566</u>	<u>\$ 46,266</u>	<u>\$ 166,412</u>	<u>\$ 2,040,412</u>	<u>\$ 259,329</u>	<u>\$ 2,344,296</u>	<u>\$ 205,134</u>	<u>\$ 7,435,091</u>

CITY OF LAKE CHARLES, LOUISIANA

Grant Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For Fiscal Year Ended September 30, 2021

	Budgeted Amounts		2021	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental:	\$ 983,319	\$ 197,588	\$ 238,783	\$ 41,195
Miscellaneous	-	497	1,289	792
Total revenues	<u>983,319</u>	<u>198,085</u>	<u>240,072</u>	<u>41,987</u>
Expenditures:				
Current:				
Public safety	611,600	680,788	552,913	127,875
Community services	<u>867,808</u>	<u>12,444</u>	<u>11,944</u>	<u>500</u>
Total expenditures	<u>1,479,408</u>	<u>693,232</u>	<u>564,857</u>	<u>128,375</u>
Excess of revenues over expenditures	<u>(496,089)</u>	<u>(495,147)</u>	<u>(324,785)</u>	<u>170,362</u>
Other financing source(uses):				
Transfers in	<u>593,745</u>	<u>6,643</u>	<u>6,643</u>	<u>-</u>
Total other financing sources (uses)	<u>593,745</u>	<u>6,643</u>	<u>6,643</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	97,656	(488,504)	(318,142)	170,362
Fund balance at beginning of year	<u>1,098,818</u>	<u>1,098,818</u>	<u>1,098,818</u>	<u>-</u>
Fund balance at end of year	<u><u>\$1,196,474</u></u>	<u><u>\$ 610,314</u></u>	<u><u>\$ 780,676</u></u>	<u><u>\$ 170,362</u></u>

CITY OF LAKE CHARLES, LOUISIANA
Recreation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2021

	Budgeted Amounts		2021	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	\$3,315,542	\$ 3,315,542	\$ 3,813,018	\$ 497,476
Intergovernmental	63,750	63,750	64,469	719
Charges for services	133,850	133,850	3,716	(130,134)
Miscellaneous	8,500	8,500	619	(7,881)
Total revenues	<u>3,521,642</u>	<u>3,521,642</u>	<u>3,881,822</u>	<u>360,180</u>
Expenditures:				
Personal services	2,827,600	2,793,645	1,650,428	1,143,217
Contractual and operational	1,496,530	1,539,850	1,062,617	477,233
Materials and supplies	475,300	482,920	229,485	253,435
Special charges	15,700	18,715	7,879	10,836
Capital outlay	300,000	280,000	47,019	232,981
	<u>5,115,130</u>	<u>5,115,130</u>	<u>2,997,428</u>	<u>2,117,702</u>
Excess (deficiency) of rev over exp	<u>(1,593,488)</u>	<u>(1,593,488)</u>	<u>884,394</u>	<u>2,477,882</u>
Other financing sources (uses):				
Transfers in	1,593,488	1,593,488	330,175	(1,263,313)
Total other financing sources (uses)	<u>1,593,488</u>	<u>1,593,488</u>	<u>330,175</u>	<u>(1,263,313)</u>
Excess (deficiency) of rev and other sources over exp and other uses	-	-	1,214,569	1,214,569
Fund balance at beginning of year	<u>377,997</u>	<u>377,997</u>	<u>377,997</u>	<u>-</u>
Fund balance at end of year	<u>\$ 377,997</u>	<u>\$ 377,997</u>	<u>\$ 1,592,566</u>	<u>\$ 1,214,569</u>

CITY OF LAKE CHARLES, LOUISIANA
Central School Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2021

	Budgeted Amounts		2021	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Miscellaneous	\$ 114,300	\$ 7,300	\$ 8,026	\$ 726
Total revenues	<u>114,300</u>	<u>7,300</u>	<u>8,026</u>	<u>726</u>
Expenditures:				
Contractual and operational	103,820	89,820	80,254	9,566
Materials and supplies	31,500	26,500	6,213	20,287
Special charges	42,000	40,000	28,271	11,729
Total expenditures	<u>177,320</u>	<u>156,320</u>	<u>114,738</u>	<u>41,582</u>
Excess of revenue over expenditures	<u>(63,020)</u>	<u>(149,020)</u>	<u>(106,712)</u>	<u>42,308</u>
Other financing sources (uses):				
Transfers in	25,000	60,000	60,000	-
Total other financing sources (uses)	<u>25,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>(38,020)</u>	<u>(89,020)</u>	<u>(46,712)</u>	<u>42,308</u>
Fund balance at beginning of year	<u>92,978</u>	<u>92,978</u>	<u>92,978</u>	<u>-</u>
Fund balance at end of year	<u>\$ 54,958</u>	<u>\$ 3,958</u>	<u>\$ 46,266</u>	<u>\$ 42,308</u>

CITY OF LAKE CHARLES, LOUISIANA
Special Event Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2021

	Budgeted Amounts		2021	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Miscellaneous	\$ 49,300	\$ 18,500	\$ 33,971	\$ 15,471
Total revenues	<u>49,300</u>	<u>18,500</u>	<u>33,971</u>	<u>15,471</u>
Expenditures:				
Contractual and operational	180,550	150,550	137,626	12,924
Materials and supplies	20,000	20,000	7,849	12,151
Other services and charges	60,500	50,500	27,000	23,500
Total expenditures	<u>261,050</u>	<u>221,050</u>	<u>172,475</u>	<u>48,575</u>
Excess of revenue over expenditures	<u>(211,750)</u>	<u>(202,550)</u>	<u>(138,504)</u>	<u>64,046</u>
Other financing sources:				
Transfers in	175,000	175,000	175,000	-
Total other financing sources	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditure and other uses	<u>(36,750)</u>	<u>(27,550)</u>	<u>36,496</u>	<u>64,046</u>
Fund balance at beginning of year	<u>129,916</u>	<u>129,916</u>	<u>129,916</u>	<u>-</u>
Fund balance at end of year	<u>\$ 93,166</u>	<u>\$ 102,366</u>	<u>\$ 166,412</u>	<u>\$ 64,046</u>

CITY OF LAKE CHARLES, LOUISIANA
2015 One-Quarter Cent Sales Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2021

	Budgeted Amounts		2021	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	\$1,562,500	\$ 1,562,500	\$ 2,049,560	\$ 487,060
Miscellaneous	12,000	12,000	9,200	(2,800)
Total revenues	<u>1,574,500</u>	<u>1,574,500</u>	<u>2,058,760</u>	<u>484,260</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of rev over exp	<u>1,574,500</u>	<u>1,574,500</u>	<u>2,058,760</u>	<u>484,260</u>
Other financing sources (uses):				
Transfers out	<u>(1,675,000)</u>	<u>(1,675,000)</u>	<u>(1,675,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,675,000)</u>	<u>(1,675,000)</u>	<u>(1,675,000)</u>	<u>-</u>
Net change in fund balances	(100,500)	(100,500)	383,760	484,260
Fund balance at beginning of year	<u>1,656,652</u>	<u>1,656,652</u>	<u>1,656,652</u>	<u>-</u>
Fund balance at end of year	<u><u>\$1,556,152</u></u>	<u><u>\$ 1,556,152</u></u>	<u><u>\$ 2,040,412</u></u>	<u><u>\$ 484,260</u></u>

CITY OF LAKE CHARLES, LOUISIANA
Economic Development District Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2021

	Budgeted Amounts		2021	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	\$ 61,000	\$ 86,000	\$ 168,171	\$ 82,171
Miscellaneous	-	-	545	545
Total revenues	<u>61,000</u>	<u>86,000</u>	<u>168,716</u>	<u>82,716</u>
Expenditures:				
Special charges	<u>3,700</u>	<u>5,700</u>	<u>4,158</u>	<u>1,542</u>
Excess (deficiency) of rev over exp	57,300	80,300	164,558	84,258
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of rev and other sources over exp and other uses	<u>57,300</u>	<u>80,300</u>	<u>164,558</u>	<u>84,258</u>
Fund balance at beginning of year	<u>94,771</u>	<u>94,771</u>	<u>94,771</u>	<u>-</u>
Fund balance at end of year	<u>\$ 152,071</u>	<u>\$ 175,071</u>	<u>\$ 259,329</u>	<u>\$ 84,258</u>

CITY OF LAKE CHARLES, LOUISIANA

Facility Renewal Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For Fiscal Year Ended September 30, 2021

	Budgeted Amounts		2021	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Interest on investments	\$ 10,800	\$ 5,000	\$ 5,700	\$ 700
Total revenues	<u>10,800</u>	<u>5,000</u>	<u>5,700</u>	<u>700</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of rev over exp	10,800	5,000	5,700	700
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(150,000)	(150,000)	(150,000)	-
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Excess (deficiency) of rev and other sources over exp and other uses	<u>(139,200)</u>	<u>(145,000)</u>	<u>(144,300)</u>	<u>700</u>
Fund balance at beginning of year	<u>2,488,596</u>	<u>2,488,596</u>	<u>2,488,596</u>	<u>-</u>
Fund balance at end of year	<u><u>\$2,349,396</u></u>	<u><u>\$ 2,343,596</u></u>	<u><u>\$ 2,344,296</u></u>	<u><u>\$ 700</u></u>

CITY OF LAKE CHARLES, LOUISIANA
Community Development Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2021

	Budgeted Amounts		2021	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ 727,490	\$ 393,007	\$ 381,381	\$ (11,626)
Miscellaneous	-	7,465	7,465	-
Total revenues	<u>727,490</u>	<u>400,472</u>	<u>388,846</u>	<u>(11,626)</u>
Expenditures:				
Current:				
Personal services	196,950	129,162	129,160	2
Contract and operational	446,378	26,070	24,113	1,957.00
Material and supplies	3,500	1,820	1,797	23
Special current charges	225,714	261,632	251,988	9,644
Total expenditures	<u>872,542</u>	<u>418,684</u>	<u>407,058</u>	<u>11,626</u>
Excess (deficiency) of revenues over expenditures	<u>(145,052)</u>	<u>(18,212)</u>	<u>(18,212)</u>	<u>0</u>
Other financing sources:				
Transfers in	<u>95,345</u>	<u>25,094</u>	<u>25,094</u>	<u>0</u>
Total other financing sources	<u>95,345</u>	<u>25,094</u>	<u>25,094</u>	<u>0</u>
Excess (deficiency) of rev and other sources over exp and other uses	<u>(49,707)</u>	<u>6,882</u>	<u>6,882</u>	<u>-</u>
Fund balance at beginning of year	<u>198,252</u>	<u>198,252</u>	<u>198,252</u>	<u>-</u>
Fund balance at end of year	<u>\$148,545</u>	<u>\$205,134</u>	<u>\$205,134</u>	<u>\$ -</u>

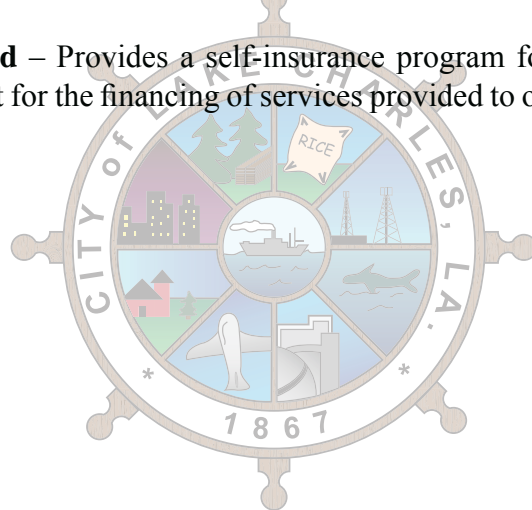
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INTERNAL SERVICE FUNDS

Risk Management Fund – Includes coverage for general liability, auto liability and worker's compensation. This fund is used to account for the financing of services provided by the risk management division to other departments of the City.

Employee Insurance Fund – Provides a self-insurance program for employee health benefits. This fund is used to account for the financing of services provided to other departments of the City.



CITY OF LAKE CHARLES, LOUISIANA

Internal Service Funds Combining Statement of Net Position September 30, 2021

	Risk Management	Employee Insurance	Totals 2021
ASSETS			
Current assets:			
Cash	\$ 20,923,777	\$ 5,628,211	\$ 26,551,988
Investments	2,215,920	2,197,181	4,413,101
Receivables:			
Accounts	597,292	9,109	606,401
Accrued interest	-	-	-
Due from other funds	-	-	-
Prepaid expenses	2,111,336	-	2,111,336
Total current assets	<u>25,848,325</u>	<u>7,834,501</u>	<u>33,682,826</u>
Noncurrent assets:			
Capital assets (at cost):			
Machinery & equipment	57,619	-	57,619
Less accumulated depreciation	(46,781)	-	(46,781)
Total capital assets (net of accum. depr.)	<u>10,838</u>	<u>-</u>	<u>10,838</u>
Total assets	<u>25,859,163</u>	<u>7,834,501</u>	<u>33,693,664</u>
Deferred Outflows of resources	<u>47,786</u>	<u>-</u>	<u>47,786</u>
LIABILITIES			
Current liabilities:			
Accounts payable	33,153	14,500	47,653
Due to other funds	4	-	4
Total current liabilities	<u>33,157</u>	<u>14,500</u>	<u>47,657</u>
Long-term liabilities:			
Accrued leave benefits	143,968	-	143,968
OPEB payable	62,853	-	62,853
Net pension liability	314,882	-	314,882
Accrued insurance claims	6,098,432	1,900,507	7,998,939
Incurred-not reported claims	175,000	150,000	325,000
Accrued insurance claims - noncurrent	2,276,200	-	2,276,200
Total long-term liabilities	<u>9,071,335</u>	<u>2,050,507</u>	<u>11,121,842</u>
Total liabilities	<u>9,104,492</u>	<u>2,065,007</u>	<u>11,169,499</u>
Deferred Inflows of resources	<u>107,698</u>	<u>-</u>	<u>107,698</u>
NET POSITION			
Net investment in capital assets	10,838	-	10,838
Unrestricted	16,683,921	5,769,494	22,453,415
Total net position	<u>\$ 16,694,759</u>	<u>\$ 5,769,494</u>	<u>\$ 22,464,253</u>

CITY OF LAKE CHARLES, LOUISIANA

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

For the Fiscal Year Ended September 30, 2021

	Risk Management	Employee Insurance	Totals 2021
Operating revenues:			
Charges for services	\$ 6,975,000	\$ 9,063,506	\$ 16,038,506
Other revenues	14,559	782,419	796,978
Total operating revenues	<u>6,989,559</u>	<u>9,845,925</u>	<u>16,835,484</u>
Operating expenses:			
Personal services	644,017	761,389	1,405,406
Materials and supplies	5,097	25,862	30,959
General and administration	2,001,798	3,200	2,004,998
Depreciation	4,335	-	4,335
Claims and losses paid	5,131,128	8,072,254	13,203,382
Total operating expenses	<u>7,786,375</u>	<u>8,862,705</u>	<u>16,649,080</u>
Operating income (loss)	<u>(796,816)</u>	<u>983,220</u>	<u>186,404</u>
Nonoperating revenues:			
Interest	95,227	22,791	118,018
Total nonoperating revenues	<u>95,227</u>	<u>22,791</u>	<u>118,018</u>
Income (loss) before transfers	<u>(701,589)</u>	<u>1,006,011</u>	<u>304,422</u>
Transfer in (out)	<u>(2,000,000)</u>	<u>-</u>	<u>(2,000,000)</u>
Change in net position	<u>(2,701,589)</u>	<u>1,006,011</u>	<u>(1,695,578)</u>
Net position - beginning of fiscal year	19,396,348	4,763,483	24,159,831
Net position - ending of fiscal year	<u>\$ 16,694,759</u>	<u>\$ 5,769,494</u>	<u>\$ 22,464,253</u>

CITY OF LAKE CHARLES, LOUISIANA

Internal Service Fund

Combining Statement of Cash Flows

For the Fiscal Year Ended September 30, 2021

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals 2021</u>
Cash flows from operating activities:			
Receipts from customers	\$ (36,192)	\$ 1,203,712	\$ 1,167,520
Receipts from interfund charges for risk management services	6,975,000	8,635,171	15,610,171
Payments to employees	(687,444)	(764,681)	(1,452,125)
Payments to suppliers and claimants	(6,722,671)	(8,300,381)	(15,023,052)
Internal activity - payments to other funds	4	-	4
Net cash provided by operating activities	<u>(471,303)</u>	<u>773,821</u>	<u>302,518</u>
Cash flow from noncapital financing activities:			
Operating subsidies	-	-	-
Operating payments to other funds	(2,000,000)	-	(2,000,000)
Net cash provided by noncapital financing activities	<u>(2,000,000)</u>	<u>-</u>	<u>(2,000,000)</u>
Cash flow from capital and related financing activities:			
Purchase of capital assets	-	-	-
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flow from investing activities:			
Purchase of investment securities	(1,327)	(1,316)	(2,643)
Proceeds from sale and maturities of investment securities	5,000,000	-	5,000,000
Interest on investments	95,385	22,791	118,176
Net cash provided (used for) investing activities	<u>5,094,058</u>	<u>21,475</u>	<u>5,115,533</u>
Net increase (decrease) in cash and cash equivalents	2,622,755	795,296	3,418,051
Cash and cash equivalents at beginning of year	18,301,022	4,832,915	23,133,937
Cash and cash equivalents at end of year	<u>\$ 20,923,777</u>	<u>\$ 5,628,211</u>	<u>\$ 26,551,988</u>
Reconciliation of operating (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (796,816)	\$ 983,220	\$ 186,404
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	4,335	-	4,335
(Increase) decrease in accounts receivable	(50,751)	(7,042)	(57,793)
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in prepaid items	(1,354,673)	-	(1,354,673)
(Increase) decrease in deferred outflows of resources NPL	61,439	-	61,439
(Increase) decrease in deferred outflows of resources OPEB	3,520	-	3,520
Increase (Decrease) in accounts payables	7,425	(2,864)	4,561
Increase (Decrease) in accrued insurance claims	1,759,192	(199,493)	1,559,699
Increase (Decrease) in compensated absences payable	(11,958)	-	(11,958)
Increase (Decrease) in OPEB liability	1,741	-	1,741
Increase (Decrease) in NP liability	(193,898)	-	(193,898)
Increase (Decrease) in due to other funds	4	-	4
Increase (Decrease) in due deferred inflows of resources NPL	99,004	-	99,004
Increase (Decrease) in due deferred inflows of resources OPEB	133	-	133
Total adjustments	<u>325,513</u>	<u>(209,399)</u>	<u>116,114</u>
Net cash provided by operating activities	<u>\$ (471,303)</u>	<u>\$ 773,821</u>	<u>\$ 302,518</u>

Noncash investing, capital and financing activities:

There was no change in investment activities at year-end 2021 and an unrealized gain of \$6,977 at year-end 2020.

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS



CITY OF LAKE CHARLES, LOUISIANA
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Governmental funds capital assets		
Land	\$ 16,399,152	\$ 16,359,652
Buildings	56,983,235	57,304,599
Improvements other than buildings	116,397,065	113,695,536
Machinery and Equipment	44,334,023	42,854,699
Infrastructure	406,088,760	397,449,584
Construction in progress	<u>32,777,672</u>	<u>17,221,644</u>
Total general capital assets	<u><u>\$ 672,979,907</u></u>	<u><u>\$ 644,885,714</u></u>
Property acquired prior to October 1, 1985, excluding infrastructure	\$ 23,368,139	\$ 23,380,139
Property acquired after September 30, 1985 from:		
Federal grants	40,923,932	40,165,506
State grants	4,933,963	4,933,963
General fund revenues	199,045,174	195,134,185
Capital projects funds	353,592,754	330,155,976
Donations	<u>51,115,945</u>	<u>51,115,945</u>
Total investments in general capital assets	<u><u>\$ 672,979,907</u></u>	<u><u>\$ 644,885,714</u></u>

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$57,619 on 9/30/2021 and \$57,619 on 9/30/2020 that are reported in the internal service funds are excluded from the above amounts. Generally, capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF LAKE CHARLES, LOUISIANA
Schedule of Capital Assets - Governmental Funds
By Function and Activity
September 30, 2021

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
GENERAL GOVERNMENT							
Legislative	\$ -	\$ -	\$ -	\$ 70,671	\$ -	\$ -	\$ 70,671
Executive	-	-	-	107,341	-	-	107,341
Judicial	-	5,129,852	-	15,048	-	-	5,144,900
Total general government	-	5,129,852	-	193,060	-	-	5,322,912
STAFF AGENCIES							
Finance	-	-	-	23,496	-	-	23,496
Planning and development	-	-	-	96,495	-	-	96,495
Human Resources	-	-	-	29,261	-	-	29,261
Public works	214,700	1,132,304	247,625	1,729,942	-	240,024	3,564,595
Information Services	-	-	-	628,981	-	-	628,981
General government buildings	5,113,741	6,176,575	1,660,359	561,346	-	1,360,029	14,872,050
Total staff agencies	5,328,441	7,308,879	1,907,984	3,069,521	-	1,600,053	19,214,878
PUBLIC SAFETY							
Police	64,965	710,167	699,766	8,097,901	-	30,147	9,602,946
Fire	203,900	7,554,916	1,669,337	15,425,180	-	259,111	25,112,444
Permit Center	-	-	-	295,701	-	-	295,701
Total public safety	268,865	8,265,083	2,369,103	23,818,782	-	289,258	35,011,091
Streets	-	81,870	-	5,680,013	320,803,473	14,980,099	341,545,455
Recreation	9,515,660	5,343,709	29,134,041	1,878,482	-	2,722,283	48,594,175
Community service	5,000	2,549,579	432,631	2,470	-	8,071,521	11,061,201
Sanitation and waste	1,281,186	28,304,263	82,553,306	9,691,695	85,285,287	5,114,458	212,230,195
	10,801,846	36,279,421	112,119,978	17,252,660	406,088,760	30,888,361	613,431,026
Total capital assets allocated to functions	\$ 16,399,152	\$ 56,983,235	\$ 116,397,065	\$ 44,334,023	\$ 406,088,760	\$ 32,777,672	\$ 672,979,907

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$57,619 on 9/30/2021 and \$57,619 on 9/30/2020 that are reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF LAKE CHARLES, LOUISIANA
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Fiscal Year Ended September 30, 2021

Function and Activity	General Capital Assets 9/30/2020	Additions	Deletions	General Capital Assets 9/30/2021
GENERAL GOVERNMENT				
Legislative	\$ 70,671	\$ -	\$ -	\$ 70,671
Executive	66,459	40,882	-	107,341
Judicial	5,139,956	5,944	(1,000)	5,144,900
Total general government	<u>5,277,086</u>	<u>46,826</u>	<u>(1,000)</u>	<u>5,322,912</u>
STAFF AGENCIES				
Finance	23,496	-	-	23,496
Planning and Development	96,495	-	-	96,495
Human Resources	1,367	27,894	-	29,261
Public Works	3,165,360	544,836	(145,601)	3,564,595
Information Services	557,590	71,391	-	628,981
General Government	13,582,470	1,310,773	(21,193)	14,872,050
Total staff agencies	<u>17,426,778</u>	<u>1,954,894</u>	<u>(166,794)</u>	<u>19,214,878</u>
PUBLIC SAFETY				
Police	10,068,657	415,299	(881,010)	9,602,946
Fire	23,126,414	2,844,517	(858,487)	25,112,444
Permit Center	289,226	18,975	(12,500)	295,701
Total public safety	<u>33,484,297</u>	<u>3,278,791</u>	<u>(1,751,997)</u>	<u>35,011,091</u>
Streets	330,740,715	13,738,330	(2,933,590)	341,545,455
Recreation	43,765,288	5,541,915	(713,028)	48,594,175
Community service	6,186,497	5,594,869	(720,165)	11,061,201
Sanitation and waste	208,005,053	5,693,835	(1,468,693)	212,230,195
	<u>588,697,553</u>	<u>30,568,949</u>	<u>(5,835,476)</u>	<u>613,431,026</u>
Total capital assets allocated to functions	<u>\$ 644,885,714</u>	<u>\$ 35,849,460</u>	<u>\$ (7,755,267)</u>	<u>\$ 672,979,907</u>

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$57,619 on 9/30/2021 and \$57,619 on 9/30/2020 that are reported in the internal service funds are excluded from the above amounts. Generally, capital assets of internal service funds are included as governmental activities in the statement of net position.

STATISTICAL SECTION

This part of the City of Lake Charles' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess government's more significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

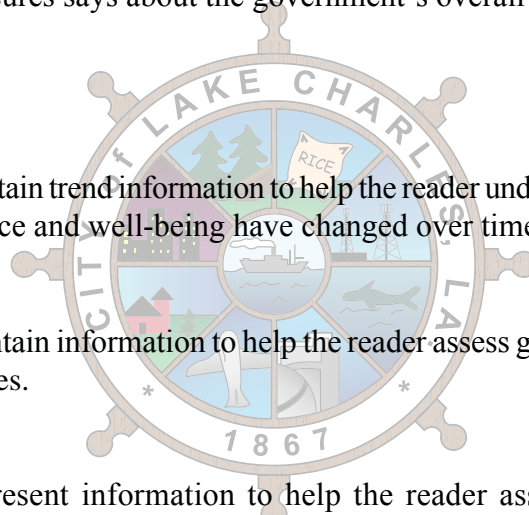
Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Except where noted, the information in these schedules is derived from the City of Lake Charles' annual comprehensive financial reports for the relative year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning that year.



CITY OF LAKE CHARLES, LOUISIANA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities				
Net investment in capital assets	\$ 228,301	\$ 230,614	\$ 240,382	\$ 243,940
Restricted	31,734	23,169	22,757	24,596
Unrestricted	<u>72,112</u>	<u>90,900</u>	<u>54,000</u>	<u>72,792</u>
Total governmental activities net assets	<u><u>\$ 332,147</u></u>	<u><u>\$ 344,683</u></u>	<u><u>\$ 317,139</u></u>	<u><u>\$ 341,328</u></u>
Business-Type activities				
Net investment in capital assets	\$ 68,959	\$ 68,562	\$ 70,785	\$ 69,095
Assigned	<u>7,909</u>	<u>11,729</u>	<u>17,502</u>	<u>22,049</u>
Total governmental activities net assets	<u><u>\$ 76,868</u></u>	<u><u>\$ 80,291</u></u>	<u><u>\$ 88,287</u></u>	<u><u>\$ 91,144</u></u>
Primary Government				
Net investment in capital assets	\$ 297,260	\$ 299,176	\$ 311,167	\$ 313,035
Restricted	31,734	23,169	22,757	24,596
Unrestricted	<u>80,021</u>	<u>102,629</u>	<u>71,502</u>	<u>94,841</u>
Total governmental activities net assets	<u><u>\$ 409,015</u></u>	<u><u>\$ 424,974</u></u>	<u><u>\$ 405,426</u></u>	<u><u>\$ 432,472</u></u>

* GASB 68 adopted in 2015

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 259,977	\$ 294,028	\$ 307,134	\$ 313,647	\$ 325,072	\$ 342,958
31,273	33,409	32,950	34,219	34,961	30,666
77,180	61,863	68,648	78,046	76,891	134,080
<u>\$ 368,430</u>	<u>\$ 389,300</u>	<u>\$ 408,732</u>	<u>\$ 425,912</u>	<u>\$ 436,924</u>	<u>\$ 507,704</u>
\$ 68,622	\$ 69,202	\$ 73,313	\$ 73,788	\$ 76,941	\$ 79,624
24,166	25,356	23,833	25,554	24,065	21,720
<u>\$ 92,788</u>	<u>\$ 94,558</u>	<u>\$ 97,146</u>	<u>\$ 99,342</u>	<u>\$ 101,006</u>	<u>\$ 101,344</u>
\$ 328,599	\$ 363,230	\$ 380,447	\$ 387,435	\$ 402,013	\$ 422,582
31,273	33,409	32,950	34,219	34,961	30,666
101,346	87,219	92,481	103,600	100,956	155,800
<u>\$ 461,218</u>	<u>\$ 483,858</u>	<u>\$ 505,878</u>	<u>\$ 525,254</u>	<u>\$ 537,930</u>	<u>\$ 609,048</u>

CITY OF LAKE CHARLES, LOUISIANA

Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 4,644,212	\$ 4,567,288	\$ 4,778,135	\$ 5,316,267	\$ 5,612,894	\$ 5,812,852	\$ 6,062,340	\$ 6,585,196	\$ 6,834,478	\$ 6,403,592
Public safety	30,667,312	31,412,865	32,257,586	33,401,455	36,589,474	37,722,822	38,772,282	42,491,635	47,227,209	37,981,928
Public works	29,047,659	28,841,269	30,295,303	32,980,130	34,279,219	42,253,530	42,804,319	44,160,415	83,647,950	113,640,107
Planning and development	2,981,902	2,991,321	2,663,000	2,672,381	2,521,348	2,656,677	2,820,828	3,291,552	2,808,734	2,881,961
General services	5,428,845	5,687,941	5,659,656	6,021,391	5,838,645	6,507,033	6,875,525	6,558,381	8,397,663	8,467,245
Community services	6,730,143	6,174,061	6,350,062	6,668,047	7,191,241	6,158,706	7,110,893	7,519,692	13,132,656	8,005,324
Interest in long-term debt	4,053,332	3,409,036	3,203,842	3,138,628	2,703,865	3,149,772	2,054,636	1,864,766	1,591,346	1,406,245
Total governmental activities	83,553,405	83,083,781	85,207,584	90,198,299	94,736,686	104,261,392	106,500,823	112,471,637	163,640,036	178,786,402
Business-type activities										
Civic center	3,356,078	3,014,670	3,091,611	3,365,531	3,949,094	3,788,824	3,899,346	3,913,590	3,333,299	4,061,374
Golf course	1,489,217	1,539,186	1,612,629	1,648,783	1,680,137	1,718,210	1,873,811	1,815,144	2,844,809	1,538,622
Transit	2,298,862	2,354,540	2,714,383	2,917,813	3,066,511	3,361,381	3,655,630	3,896,717	4,234,999	3,816,851
Water	8,980,994	9,181,423	9,622,826	9,890,095	10,173,955	10,845,330	11,206,906	12,074,665	12,061,138	11,262,743
Total business-type activities	16,125,151	16,089,819	17,041,449	17,822,222	18,869,697	19,713,745	20,635,693	21,700,116	22,474,245	20,679,590
Total primary government	\$ 99,678,556	\$ 99,173,600	\$ 102,249,033	\$ 108,020,521	\$ 113,606,383	\$ 123,975,137	\$ 127,136,516	\$ 134,171,753	\$ 186,114,281	\$ 199,465,992
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 5,067,281	\$ 5,497,834	\$ 5,423,120	\$ 5,730,156	\$ 5,997,403	\$ 6,195,338	\$ 6,469,760	\$ 6,490,449	\$ 6,512,956	\$ 6,849,965
Public works	11,146,171	11,767,500	12,706,586	13,459,995	13,438,315	13,486,598	14,110,034	13,476,408	12,793,705	10,604,922
Other activities	1,106,880	1,108,756	996,480	744,123	751,477	753,544	847,379	950,164	603,456	248,435
Operating grants and contributions	5,037,836	5,237,139	4,428,311	4,675,984	4,002,036	5,142,923	4,522,002	5,011,047	51,496,877	108,912,925
Capital grants and contributions	2,991,355	3,949,165	7,243,043	5,516,540	8,346,684	4,838,875	2,408,146	6,019,529	12,491,015	14,267,362
Total govmntl activity prgrm	25,349,523	27,560,394	30,797,540	30,126,798	32,535,915	30,417,278	28,357,321	31,947,597	83,898,009	140,883,609
Business-type activities:										
Charges for services:										
Civic center	975,050	941,963	968,322	1,000,078	1,138,735	971,360	1,033,378	1,021,589	513,434	194,362
Golf course	844,392	974,094	1,046,272	1,012,359	992,086	903,040	988,757	845,364	591,013	11,785
Transit	115,597	111,750	189,754	184,332	189,931	191,826	187,114	190,815	193,154	138,418
Water	10,657,748	11,327,208	12,066,695	12,687,985	12,300,282	13,215,887	13,802,115	13,138,924	12,790,717	11,740,967
Operating grants and contributions	1,422,853	1,515,747	1,647,581	2,303,705	2,834,655	2,751,946	3,043,540	3,103,043	4,168,748	5,138,737
Capital grants and contributions	3,184,780	541,173	7,795,194	801,268	266,752	261,931	982,009	179,704	1,819,470	2,680,279
Total busnss-type prgrm revens	17,200,420	15,411,935	23,713,818	17,989,727	17,722,441	18,295,990	20,036,913	18,479,439	20,076,536	19,904,548
Total primary government program	\$ 42,549,943	\$ 42,972,329	\$ 54,511,358	\$ 48,116,525	\$ 50,258,356	\$ 48,713,268	\$ 48,394,234	\$ 50,427,036	\$ 103,974,545	\$ 160,788,157

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (expense)/revenue										
Governmental activities	\$ (58,203,882)	\$ (55,523,387)	\$ (54,410,044)	\$ (60,071,501)	\$ (62,200,771)	\$ (73,844,114)	\$ (78,143,502)	\$ (80,524,040)	\$ (79,742,027)	\$ (37,902,793)
Business-type activities	1,075,269	(677,884)	6,672,369	167,505	(1,147,256)	(1,417,755)	(598,780)	(3,220,677)	(2,397,709)	(775,042)
Total primary government net expenses	<u>\$ (57,128,613)</u>	<u>\$ (56,201,271)</u>	<u>\$ (47,737,675)</u>	<u>\$ (59,903,996)</u>	<u>\$ (63,348,027)</u>	<u>\$ (75,261,869)</u>	<u>\$ (78,742,282)</u>	<u>\$ (83,744,717)</u>	<u>\$ (82,139,736)</u>	<u>\$ (38,677,835)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$ 7,707,653	\$ 8,176,273	\$ 8,631,895	\$ 9,163,826	\$ 10,217,089	\$ 10,616,469	\$ 10,862,457	\$ 11,246,318	\$ 11,660,793	\$ 10,742,317
Sales taxes	45,659,894	46,717,755	50,519,838	54,786,123	60,570,243	64,596,373	67,840,226	67,169,609	63,188,793	82,759,394
Franchise taxes	4,873,591	5,420,601	5,952,906	5,736,856	5,472,965	5,722,675	5,878,166	5,801,232	5,350,971	5,237,424
Riverboat taxes	9,713,282	9,691,942	9,664,375	11,054,210	10,799,768	10,657,944	10,735,679	11,045,968	9,413,068	7,844,826
Grants and contributions not restricted to specific programs	3,462,831	181,836	185,172	180,867	194,470	227,691	230,435	238,919	219,227	206,307
Interest and investment earnings	575,503	62,044	671,283	965,038	834,331	1,162,105	2,206,510	4,569,271	2,157,325	624,185
Miscellaneous	1,479,307	1,922,170	3,024,050	4,722,125	3,730,355	4,666,850	2,425,142	2,310,815	2,468,193	2,301,588
Gain (loss) on sales of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(3,545,790)	(4,113,925)	(3,645,582)	(2,348,768)	(2,515,786)	(2,935,905)	(2,757,752)	(4,677,725)	(3,704,830)	(1,033,408)
Total governmental activities	<u>69,926,271</u>	<u>68,058,696</u>	<u>75,003,937</u>	<u>84,260,277</u>	<u>89,303,435</u>	<u>94,714,202</u>	<u>97,420,863</u>	<u>97,704,407</u>	<u>90,753,540</u>	<u>108,682,633</u>
Business-type activities:										
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	35,695	(12,505)	81,712	227,141	133,929	251,993	405,633	738,783	357,382	79,068
Miscellaneous	-	-	-	113,376	141,451	-	-	-	-	-
Gain (loss) on sales of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	3,545,790	4,113,925	3,645,582	2,348,768	2,515,786	2,935,905	2,757,752	4,677,725	3,704,830	1,033,408
Total business type activities	<u>3,581,485</u>	<u>4,101,420</u>	<u>3,727,294</u>	<u>2,689,285</u>	<u>2,791,166</u>	<u>3,187,898</u>	<u>3,163,385</u>	<u>5,416,508</u>	<u>4,062,212</u>	<u>1,112,476</u>
Total primary government	<u>\$ 73,507,756</u>	<u>\$ 72,160,116</u>	<u>\$ 78,731,231</u>	<u>\$ 86,949,562</u>	<u>\$ 92,094,601</u>	<u>\$ 97,902,100</u>	<u>\$ 100,584,248</u>	<u>\$ 103,120,915</u>	<u>\$ 94,815,752</u>	<u>\$ 109,795,109</u>
Change in Net Assets										
Governmental activities	\$ 11,722,389	\$ 12,535,309	\$ 20,593,893	\$ 24,188,776	\$ 27,102,664	\$ 20,870,088	\$ 19,277,361	\$ 17,180,367	\$ 11,011,513	\$ 70,779,840
Business-type activities	4,656,754	3,423,536	10,399,663	2,856,790	1,643,910	1,770,143	2,564,605	2,195,831	1,664,503	337,434
Total primary government	<u>\$ 16,379,143</u>	<u>\$ 15,958,845</u>	<u>\$ 30,993,556</u>	<u>\$ 27,045,566</u>	<u>\$ 28,746,574</u>	<u>\$ 22,640,231</u>	<u>\$ 21,841,966</u>	<u>\$ 19,376,198</u>	<u>\$ 12,676,016</u>	<u>\$ 71,117,274</u>

CITY OF LAKE CHARLES, LOUISIANA
Governmental Activities Tax and Other Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	One Percent Sales Tax (1965)	* Additional One Percent Sales Tax (1987)	Employee's Pay Quarter cent Sales Tax (1995)	One-Quarter Cent Sales Tax Debt Reserve Fund (2016)
2012	7,707,653	19,940,426	19,940,425	4,985,113	-
2013	8,176,273	20,638,460	20,638,461	5,159,621	-
2014	8,631,895	22,309,909	22,309,909	5,577,484	-
2015	9,163,826	24,233,672	24,233,672	6,058,418	-
2016	10,217,089	24,759,696	24,759,696	6,189,924	4,571,836
2017	10,616,469	25,695,368	25,695,368	6,423,849	6,372,113
2018	10,862,457	26,833,765	26,833,765	6,708,442	6,635,894
2019	11,246,319	26,711,079	26,711,079	6,677,655	6,619,849
2020	11,660,793	25,125,185	25,125,185	6,238,871	6,212,813
2021	10,742,317	32,801,002	32,801,002	8,200,244	8,198,239

* Sales tax levy above dedicates 28 percent of collections to Capital Projects of which 60 percent can be used for debt service

Notes: The City, through a Cooperative Endeavor Agreement with the Calcasieu Parish Policy Jury, pool gaming revenues received on a parish-wide basis.
Golden Nugget Casino opened in December 2014.
2013 property tax revenues reflect the reassessment of property in 2012.
2017 property tax revenues reflect the reassessment of property in 2016.
2016 15 year quarter cent sales tax began January 2016

Monthly Sales Tax Receipts 28% Dedicated to Capital Projects (included in above)

Collection Month	2012	2013	2014	2015
November	\$ 405,728	\$ 439,768	\$ 451,838	\$ 529,736
December	393,645	446,902	523,949	541,692
January	588,320	580,761	609,804	702,020
February	511,944	424,817	425,861	500,766
March	436,991	447,863	474,515	514,014
April	498,970	521,802	528,496	617,823
May	438,287	470,869	529,857	540,169
June	466,481	493,820	526,757	547,963
July	478,381	497,303	538,256	598,577
August	443,114	487,062	519,849	577,527
September	467,114	487,685	513,189	549,074
October	454,344	480,117	604,404	566,067
Total	<u>\$ 5,583,319</u>	<u>\$ 5,778,769</u>	<u>\$ 6,246,775</u>	<u>\$ 6,785,428</u>

TIFF District One Percent Sales Tax (2018)	Riverboat Gaming Tax	Electric Utility Franchise	Gas Utility Franchise	Cable Television Franchise	Charges for Services User Fees Wastewater
-	9,713,282	3,463,387	405,302	1,004,902	11,001,880
-	9,691,942	4,009,040	396,650	1,014,911	11,601,657
-	9,664,375	4,442,183	474,212	1,036,511	12,519,677
-	11,054,210	4,339,524	420,979	976,353	13,323,763
-	10,799,768	4,098,903	360,464	1,013,598	13,281,720
-	10,657,944	4,295,722	406,840	1,020,114	13,221,450
1,213	10,735,679	4,378,367	483,545	1,016,254	13,771,766
48,461	11,045,969	4,306,206	478,226	1,016,801	12,667,693
70,875	9,413,068	4,092,816	423,927	834,228	12,554,335
168,171	7,844,826	4,243,419	418,240	575,764	10,547,714

2016	2017	2018	2019	2020	2021
\$ 535,012	\$ 544,564	\$ 595,135	\$ 597,575	\$ 528,901	\$ 668,223
533,725	564,660	560,185	478,637	663,989	801,000
694,329	730,672	763,506	895,304	761,692	946,096
512,445	527,052	550,737	526,049	533,912	663,428
519,495	520,045	563,037	559,319	515,864	630,315
652,316	665,259	690,882	665,263	550,828	856,449
548,264	591,265	599,185	587,399	489,569	751,264
565,631	597,337	640,612	599,129	596,499	720,668
611,634	686,415	682,222	667,495	650,386	848,946
611,509	571,248	633,452	615,983	429,259	786,718
557,614	583,584	603,781	646,318	684,585	721,577
590,743	612,602	630,722	640,632	629,567	789,596
<u>\$ 6,932,717</u>	<u>\$ 7,194,703</u>	<u>\$ 7,513,454</u>	<u>\$ 7,479,102</u>	<u>\$ 7,035,052</u>	<u>\$ 9,184,281</u>

CITY OF LAKE CHARLES, LOUISIANA

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	543,389	478,983	525,480	621,486	666,530	684,120	568,580	629,864	836,789	457,128
Committed	2,567,929	2,363,360	2,853,169	2,413,358	2,061,843	3,561,194	4,145,634	3,472,701	5,996,241	4,485,828
Unassigned	22,245,646	23,053,203	25,996,329	28,338,533	27,297,165	30,764,493	35,078,544	32,989,637	23,524,122	32,905,185
Total General Fund	<u>25,356,964</u>	<u>25,895,546</u>	<u>29,374,978</u>	<u>31,373,377</u>	<u>30,025,538</u>	<u>35,009,807</u>	<u>39,792,758</u>	<u>37,092,202</u>	<u>30,357,152</u>	<u>37,848,141</u>
 All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	51,623	50,925	30,840	46,917	48,896	62,165	151,535	150,775	171,635	155,179
Restricted	31,731,731	23,962,211	22,754,774	24,595,560	31,272,991	33,409,232	32,950,498	34,219,348	34,961,022	30,665,638
Committed	50,934,223	57,358,834	57,603,158	65,108,250	72,116,986	55,063,188	56,953,479	72,725,077	78,562,670	128,925,381
Assigned	12,033,195	7,674,979	10,491,959	13,392,519	9,851,745	8,994,330	8,681,868	9,033,669	10,343,038	4,872,942
Total all other governmental funds	<u>94,750,772</u>	<u>89,046,949</u>	<u>90,880,731</u>	<u>103,143,246</u>	<u>113,290,618</u>	<u>97,528,915</u>	<u>98,737,380</u>	<u>116,128,869</u>	<u>124,038,365</u>	<u>164,619,140</u>
 Total all governmental funds	<u>\$ 120,107,736</u>	<u>\$ 114,942,495</u>	<u>\$ 120,255,709</u>	<u>\$ 134,516,623</u>	<u>\$ 143,316,156</u>	<u>\$ 132,538,722</u>	<u>\$ 138,530,138</u>	<u>\$ 153,221,071</u>	<u>\$ 154,395,517</u>	<u>\$ 202,467,281</u>

* Note GASB 54 adopted in 2011.

* GASB 68 adopted in 2015

* GASB 75 adopted in 2018

CITY OF LAKE CHARLES, LOUISIANA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 65,208,410	\$ 67,508,949	\$ 71,638,915	\$ 77,964,674	\$ 81,278,866	\$ 88,826,340	\$ 92,009,560	\$ 92,611,008	\$ 87,324,814	\$ 103,990,347
Licenses and permits	5,526,807	6,349,383	6,686,060	6,657,120	9,940,761	6,597,424	6,963,073	6,809,618	6,244,424	6,937,495
Intergovernmental	8,264,523	9,752,774	12,275,671	10,364,017	12,965,781	10,603,497	7,114,980	11,028,912	46,030,080	75,791,591
Charges for services	13,680,453	14,375,194	15,290,879	16,016,725	16,050,508	16,286,940	16,766,116	16,296,708	16,715,346	13,180,823
Fines and forfeitures	311,388	247,061	253,920	195,139	186,042	301,103	275,630	242,223	195,363	231,726
Miscellaneous	2,351,245	1,888,663	1,695,540	3,064,934	1,632,574	2,154,234	3,739,329	5,309,737	10,436,272	46,431,644
Total revenues	95,342,826	100,122,024	107,840,985	114,262,609	122,054,532	124,769,538	126,868,688	132,298,206	166,946,299	246,563,626
Expenditures:										
Current operating:										
General government	2,876,353	2,892,999	2,945,962	3,016,207	3,059,233	3,204,360	3,436,047	3,529,417	3,812,868	3,935,483
Finance	1,498,360	1,524,491	1,594,704	1,610,407	1,739,594	1,714,273	1,757,188	1,875,037	1,994,370	1,962,068
Human Resources	312,168	309,113	339,091	367,152	374,721	397,613	390,668	416,168	432,246	398,711
Fire	13,293,542	13,523,625	14,481,544	14,493,469	14,938,379	15,870,091	16,619,281	17,278,379	18,908,742	19,723,560
Police	17,108,345	18,311,542	17,911,230	18,096,917	18,530,921	19,770,508	20,102,125	21,014,854	23,976,208	21,839,150
Public works	21,183,964	21,449,006	22,045,127	22,093,947	23,986,800	26,421,585	25,131,848	25,497,159	66,926,406	96,722,775
Planning and development	2,785,459	2,793,690	2,535,761	2,679,361	2,521,354	2,611,276	2,741,631	3,160,533	2,703,139	2,898,670
Community services	4,913,007	5,516,244	5,343,835	5,389,074	5,509,270	5,998,397	6,019,381	5,975,181	10,855,986	13,784,514
General services	4,127,074	4,453,969	4,253,097	4,415,871	4,629,048	4,788,886	4,830,710	5,192,395	7,584,015	9,795,484
Capital projects	27,249,392	21,031,285	18,090,669	14,829,729	33,685,525	50,470,051	27,909,851	18,686,556	15,553,814	19,202,581
Debt service:										
Principal retirement	5,836,224	6,947,090	6,790,771	5,405,386	5,722,670	6,664,637	6,833,190	8,043,321	7,332,101	7,479,854
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	4,247,927	3,603,630	3,398,436	4,591,559	2,854,289	2,719,730	2,450,417	2,260,548	1,987,128	1,715,604
Total expenditures	105,431,815	102,356,684	99,730,227	96,989,079	117,551,804	140,631,407	118,222,337	112,929,548	162,067,023	199,458,454
Excess (deficiency) of revenues over expenditures	(10,088,989)	(2,234,660)	8,110,758	17,273,530	4,502,728	(15,861,869)	8,646,351	19,368,658	4,879,276	47,105,172
Other financing sources (uses):										
Transfers in	19,551,176	21,967,386	21,798,979	21,876,158	41,585,711	26,615,768	29,122,749	33,981,729	36,076,763	34,391,184
Transfers out	(22,915,600)	(25,731,311)	(24,694,561)	(26,354,532)	(44,101,497)	(29,551,673)	(31,880,502)	(38,659,454)	(39,781,593)	(33,424,592)
Issuance of debt - refunding bonds	-	-	-	15,825,000	-	24,140,000	-	-	-	-
Issuance of debt	4,222,067	833,344	98,037	-	6,812,591	8,012,943	102,818	-	-	-
Premium on debt issuance	-	-	-	906,376	-	3,687,728	-	-	-	-
Bond refunding-cost of issuance	-	-	-	(270,617)	-	(378,726)	-	-	-	-
Pymnt refunded bond escrw-current	-	-	-	-	-	(5,920,000)	-	-	-	-
Pymnt refunded bond escrw-advance	-	-	-	(14,995,000)	-	(19,720,000)	-	-	-	-
Pymnt refunded bond escrw-interest	-	-	-	-	-	(1,801,605)	-	-	-	-
Total other financing sources(uses)	857,643	(2,930,581)	(2,797,545)	(3,012,615)	4,296,805	5,084,435	(2,654,935)	(4,677,725)	(3,704,830)	966,592
Net change in fund balances	\$ (9,231,346)	\$ (5,165,241)	\$ 5,313,213	\$ 14,260,915	\$ 8,799,533	\$ (10,777,434)	\$ 5,991,416	\$ 14,690,933	\$ 1,174,446	\$ 48,071,764
Debt service as a percentage of noncapital expenditures	13.53%	13.24%	12.90%	12.29%	10.47%	10.23%	9.69%	10.75%	6.83%	5.46%

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	Property Tax	One Percent Sales Tax ('65)	Additional One Percent Sales Tax ('87)	Employee's Pay Quarter cent Sales Tax ('95)	One-Quarter Cent Sales Tax Debt Reserve Fd ('16)	TIFF District One Percent Sales Tax ('18)	Riverboat Gaming Tax	Electric Utility Franchise	Gas Utility Franchise	Cable Television Franchise
2012	7,707,653	19,940,426	19,940,425	4,985,113	-	-	9,713,282	3,463,387	405,302	1,004,902
2013	8,176,273	20,638,460	20,638,461	5,159,621	-	-	9,691,942	4,009,040	396,650	1,014,911
2014	8,631,895	22,309,909	22,309,909	5,577,484	-	-	9,664,375	4,442,183	474,212	1,036,511
2015	9,163,826	24,233,672	24,233,672	6,058,418	-	-	11,054,210	4,339,524	420,979	976,353
2016	10,217,089	24,759,696	24,759,696	6,189,924	4,571,836	-	10,799,768	4,098,903	360,464	1,013,598
2017	10,616,469	25,695,368	25,695,368	6,423,849	6,372,113	-	10,657,944	4,295,722	406,840	1,020,114
2018	10,862,457	26,833,765	26,833,765	6,708,442	6,635,894	1,213	10,735,679	4,378,367	483,545	1,016,254
2019	11,246,319	26,711,079	26,711,079	6,677,655	6,619,849	48,461	11,045,969	4,306,206	478,226	1,016,801
2020	11,660,793	25,125,185	25,125,185	6,238,871	6,212,813	70,875	9,413,068	4,092,816	423,927	834,228
2021	10,742,317	32,801,002	32,801,002	8,200,244	8,198,239	168,171	7,844,826	4,243,419	418,240	575,764

CITY OF LAKE CHARLES, LOUISIANA
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended	Tax Year	Real Property and Mobile		Personal, Business Industry	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2012	2011	371,813,160	3,718,131,600	111,831,890	745,545,933
2013	2012	408,917,100	4,089,171,000	106,665,010	711,100,067
2014	2013	432,041,780	4,320,417,800	148,418,710	989,458,067
2015	2014	483,192,030	4,831,920,800	168,282,760	1,121,835,067
2016	2015	516,842,790	5,168,427,900	164,358,110	1,095,720,733
2017	2016	541,069,351	5,410,693,510	159,795,020	1,065,300,133
2018	2017	580,132,590	5,801,325,900	153,211,230	1,021,408,200
2019	2018	597,738,510	5,977,385,100	160,846,330	1,072,308,866
2020	2019	544,637,920	5,446,379,200	158,937,930	1,059,586,200
2021	2020	628,889,200	6,288,892,000	165,061,750	1,100,411,667

Note:

- (1) Ratios of assessed valuation to actual value are established by state law. Assessment ratios currently applicable to various classes of property are as follows:

10% - Land and residential improvements
15% - Commercial improvements
15% - Personal property
25% - Public Utilities

- (2) All property assessments are made by the Calcasieu Parish Assessor or the Louisiana Tax Commission. Required reassessments of all properties were made in 2012, 2016, and 2020.

Source: Calcasieu Parish Sheriff & Tax Collector

Public Utilities		Total all Property		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
16,539,480	66,157,920	500,184,530	4,529,835,453	15.35	11.04%
17,706,110	70,824,440	533,288,220	4,871,095,507	15.35	10.95%
18,114,470	72,457,880	598,574,960	5,382,333,747	15.35	11.12%
17,272,840	71,272,840	669,293,050	6,025,078,707	15.35	11.11%
19,543,930	78,175,720	700,744,830	6,342,324,353	15.23	11.05%
19,986,390	79,945,560	720,850,761	6,555,939,203	15.23	11.00%
17,285,450	69,141,800	750,629,270	6,891,875,900	15.23	10.90%
18,754,200	75,016,800	777,339,040	7,124,710,766	15.23	10.90%
22,068,590	88,274,360	725,644,440	6,594,239,760	15.05	11.00%
25,817,780	103,271,120	819,768,730	7,492,574,787	15.12	10.90%

CITY OF LAKE CHARLES, LOUISIANA

Property Tax Millage Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Calendar Year	Fiscal Year	City of Lake Charles		Calcasieu Parish School Board			Calcasieu Parish							
		General and Special Revenue Funds	Total	General Fund	Debt Service Funds	Total	Parish Police Jury	Road Districts	Gravity Drainage	Recreation and Com Centers	Fire Protection	Airport Harbor & Terminal	Parish Water & Sewer	Parish Total
2011	2012	15.35	15.35	18.72	24.00	42.04	33.82	3.53	5.57	5.77	10.85	8.14	15.37	83.05
2012	2013	15.35	15.35	18.04	22.60	40.64	34.01	3.53	5.57	5.77	10.85	8.14	15.37	83.24
2013	2014	15.35	15.35	18.04	22.20	40.24	34.78	4.06	5.57	5.32	10.85	8.14	15.37	84.09
2014	2015	15.35	15.35	18.04	22.20	40.24	35.46	4.06	5.57	7.40	10.85	8.19	15.37	86.90
2015	2016	15.23	15.23	17.23	21.00	38.23	32.86	3.88	5.79	7.93	11.54	8.58	12.51	83.09
2016	2017	15.23	15.23	17.23	21.00	38.23	34.29	3.88	5.79	7.59	11.54	8.58	12.43	84.10
2017	2018	15.23	15.23	17.23	29.85	47.08	34.29	3.88	5.79	7.95	11.54	8.58	14.24	86.27
2018	2019	15.23	15.23	17.23	42.10	59.33	34.09	3.88	5.79	7.60	11.54	8.58	14.24	85.72
2019	2020	15.05	15.05	17.00	37.00	54.00	34.51	3.83	5.71	7.82	11.38	8.45	14.33	86.03
2020	2021	15.12	15.12	17.00	31.50	48.50	36.51	3.83	5.71	7.42	11.38	8.45	14.33	87.63

Source: Information obtained from Calcasieu Parish Tax Assessor

Note: Overlapping rates are those of local governmental entities that apply to property owners within the City of Lake Charles. Not all overlapping rates apply to all property owners.

CITY OF LAKE CHARLES, LOUISIANA

Principal Property Taxpayers

Tax Year December 31, 2020 and December 31, 2011

for Fiscal Year Ended September 30, 2021 and September 30, 2012

Taxpayer	Type of Business	2021		Percentage of Total Valuation	2012		
		Assessed Valuation 2020	Rank		Assessed Valuation 2011	Rank	Percentage of Total Valuation
GOLDEN NUGGET LAKE CHARLES LLC	Hotel/Casino	\$61,446,640	1	7.50 %			
PNK (LAKE CHARLES) LLC	Hotel/Casino	40,732,920	2	4.97 %	41,295,060	1	8.26 %
ENTERGY GULF STATES LOUISIANA LLC	Electric Utility	14,142,500	3	1.73 %	8,613,140	3	1.72 %
OSG 204 LLC	Shipping	7,963,650	4	0.97 %			
FIRST HORIZON BANK * IBERIA BANK IN 2020	Bank	6,783,110	5	0.83 %	2,354,590	10	0.47 %
WAL-MART REAL ESTATE BUSINESS TRUST	Retail	4,771,350	6	0.58 %	10,238,300	2	2.05 %
CROWLEY MARINE SERVICES	Marine Services	3,844,740	7	0.47 %			
BRADD LLC	Real Estate Services	3,784,930	8	0.46 %			
BOLTON FORD LLC	Car Dealership	3,743,790	9	0.46 %			
GMF-PRESERVATION OF AFFORDABILITY CO	Housing	3,616,950	10	0.44 %			
CAPITAL ONE NA * HIBERNIA IN 2002	Bank				5,393,070	4	1.08 %
BELL SOUTH TELECOMMUNICATIONS	Telephone				4,850,450	5	0.97 %
WOMEN'S & CHILDREN'S HOSPITAL	Hospital				4,847,130	6	0.97 %
CARBOLINE CO	Petrochemical Manufacturing				3,999,900	7	0.80 %
JP MORGAN CHASE BANK NA	Bank				3,198,720	8	0.64 %
SIMON DEBARTOLO GROUP	Bank				2,657,940	9	0.53 %
		<u>150,830,580</u>		<u>18.41%</u>	<u>87,448,300</u>		<u>17.49%</u>

2021 Total city valuation: \$ 819,768,730

2012 Total city valuation: \$ 500,184,530

Source: Calcasieu Parish Tax Collector

CITY OF LAKE CHARLES, LOUISIANA

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Tax Year	Total Tax Levy	Less:	Net Tax Levy
			Cancellations and Reductions	
2012	2011	7,648,874	44,979	7,603,895
2013	2012	8,150,758	48,846	8,101,912
2014	2013	8,613,145	47,999	8,565,146
2015	2014	9,142,203	58,897	9,083,306
2016	2015	10,283,298	57,120	10,226,178
2017	2016	10,684,965	62,362	10,622,603
2018	2017	10,991,532	144,645	10,846,887
2019	2018	11,445,052	79,203	11,365,849
2020	2019	11,852,788	34,779	11,818,009
2021	2020	10,935,455	138,164	10,797,291

Source: Calcasieu Parish Sheriff & Tax Collector

Less: Outstanding Delinquent Taxes	Net Total Taxes Collected	Percent of Net Taxes Collected	Percent of Delinquent Taxes to Net Levy
18,208	7,585,687	99.76	0.24
21,530	8,080,382	99.73	0.27
24,951	8,540,195	99.71	0.29
20,265	9,063,041	99.78	0.22
34,563	10,191,615	99.66	0.34
34,374	10,588,229	99.68	0.32
66,975	10,779,912	99.38	0.62
49,484	11,316,365	99.60	0.44
88,015	11,729,994	99.30	0.75
58,754	10,738,537	98.20	0.55

CITY OF LAKE CHARLES, LOUISIANA

Sales Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Calendar Year	Fiscal Year	City of Lake Charles							Calcasieu Parish			State of Louisiana		
		General Fund	Dedicated 1%				Employee's Pay	School Board		Law Enforcement	Tourism			
			Public Safety	Public Works	Waste Water	Recreation		Capital Project	General		Salaries	Promotion	Total	
2011	2012	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.75%	3.97%	0.03%	9.00%
2012	2013	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.75%	3.97%	0.03%	9.00%
2013	2014	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.75%	3.97%	0.03%	9.00%
2014	2015	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.75%	3.97%	0.03%	9.00%
2015	2016	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	*1.00%	0.75%	3.97%	0.03%	9.25%
2016	2017	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	⁺ 0.50%	1.50%	1.00%	0.75%	^{**} 4.97%	0.03%	10.75%
2017	2018	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.50%	1.50%	1.00%	0.75%	⁺⁺ 4.42%	0.03%	10.20%
2018	2019	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.50%	1.50%	1.00%	0.75%	4.42%	0.03%	10.20%
2019	2020	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.50%	1.50%	1.00%	0.75%	4.42%	0.03%	10.20%
2020	2021	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.50%	1.50%	1.00%	0.75%	4.42%	0.03%	10.20%

*Rate increased from 0.50% to 1.00% July 1, 2015

⁺Rate increased from 0.25% to 0.50% January 1, 2016

^{**}Rate increased from 3.97% to 4.97% April 1, 2016

⁺⁺Rate decreased from 4.97% to 4.42% July 1, 2018

Morganfield Economic Development District (MEDD) 1% additional rate established January 1, 2018 (total sales tax inside district 11.2%)

Lakefront Economic Development District (LEDD) 1% additional rate established June 1, 2021 (total sales tax inside district 11.2%)

Nelson Economic Development District (LEDD) 1% additional rate established October 1, 2018 (total sales tax inside district 11.2%)

Source: Information obtained from Calcasieu Parish Sales and Use Tax office.

CITY OF LAKE CHARLES, LOUISIANA

Principal Sales Taxpayers

Tax Year June 30, 2021 and June 30, 2012

for Fiscal Year Ended September 30, 2021 and September 30, 2012

2021				2012		
Type of Business	Tax Paid	Rank	Percentage of Total Valuation	Tax Paid	Rank	Percentage of Total Valuation
Government	\$4,518,649	1	5.96%	\$2,215,575	2	5.53%
Retail	4,268,824	2	5.63%	5,615,224	1	14.02%
Building Supply	2,639,400	3	3.48%	719,414	5	1.80%
Retail	1,990,151	4	2.62%			
Building Supply	1,651,978	5	2.18%			
Hotel and Casino	1,645,235	6	2.17%			
Building Supply	1,407,190	7	1.85%			
Food	1,188,351	8	1.57%	745,560	4	1.86%
Building Supply	1,140,135	9	1.50%			
Retail	944,876	10	1.25%	674,190	6	1.68%
Hotel and Casino				1,248,972	3	3.12%
Health Care				618,322	7	1.54%
Retail				573,680	8	1.43%
Grocery				556,884	9	1.39%
Retail				447,345	10	1.12%
	<u>\$ 21,394,789</u>		<u>28.20%</u>	<u>\$ 13,415,166</u>		<u>33.49%</u>

2021 Total sales tax: \$ 75,871,157

2012 Total sales tax: \$ 40,060,054

CITY OF LAKE CHARLES, LOUISIANA

Ratios of Outstanding Debt

Last Ten Fiscal Years

Fiscal Year	Bonded Debt												Loans			Total of All Debt	Percentage of Personal Income	Per Capita
	Pension Refunding Bonds	LCDA Sewer Refunding Bonds	Deferred Amount LCDA Sewer Refunding Bonds	2007 LCDA Public Improvement Bonds	Deferred Amount LCDA Public Improvement Bonds	2010 LCDA Public Improvement Bonds	Deferred Amount LCDA Public Improvement Bonds	2014 LCDA Public Improvement Bonds	Deferred Amount LCDA Public Improvement Bonds	2017 LCDA Public Improvement Bonds	Deferred Amount LCDA Public Improvement Bonds	Total Bonded Debt	DEQ Loan Direct Placement	LC City Court Direct Placement	Total Direct Placement			
2012	1,930,000	13,610,000	352,828	28,370,000	808,565	35,960,000	1,470,503	-	-	-	-	82,501,896	5,140,268	2,905,000	8,045,268	90,547,164	3.45%	1,255
2013	805,000	12,290,000	313,625	26,995,000	753,436	34,165,000	1,370,241	-	-	-	-	76,692,302	5,015,612	2,805,000	7,820,612	84,512,914	3.17%	1,150
2014	-	10,930,000	313,625	25,565,000	753,436	32,315,000	1,370,241	-	-	-	-	71,247,302	4,146,649	2,700,000	6,846,649	78,093,951	2.93%	1,063
2015	-	9,535,000	235,219	9,080,000	256,639	30,410,000	1,169,717	15,775,000	854,085	-	-	67,315,660	3,934,648	2,590,000	6,524,648	73,840,308	2.75%	986
2016	-	8,100,000	196,016	7,530,000	224,560	28,445,000	1,069,455	15,605,000	784,364	-	-	61,954,395	10,509,239	2,475,000	12,984,239	74,938,634	2.68%	985
2017	-	6,600,000	156,813	-	-	6,685,000	259,273	15,430,000	714,643	24,140,000	3,687,728	57,673,457	17,558,182	2,360,000	19,918,182	77,591,639	2.69%	1,010
2018	-	5,045,000	117,610	-	-	4,550,000	172,849	13,710,000	644,922	24,140,000	3,318,955	51,699,336	16,656,001	2,235,000	18,891,001	70,590,337	2.24%	915
2019	-	3,430,000	78,407	-	-	2,315,000	86,425	11,925,000	575,201	24,140,000	2,950,182	45,500,215	15,642,000	1,105,000	16,747,000	62,247,215	1.92%	798
2020	-	1,750,000	39,204	-	-	-	-	11,760,000	505,480	22,425,000	2,581,409	39,061,093	14,618,000	965,000	15,583,000	54,644,093	1.62%	697
2021	-	-	-	-	-	-	-	11,590,000	435,759	18,200,000	2,212,636	32,438,395	13,462,000	825,000	14,287,000	46,725,395	1.45%	551

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
None of this debt is General Obligation Debt.

See the Schedule of Demographics and Economic Statistics for personal income and population data.

CITY OF LAKE CHARLES, LOUISIANA

Direct and Overlapping Governmental Activities Debt

As of September 30, 2021

Jurisdiction	Direct Debt	Percentage Applicable to City of Lake Charles	Amount Applicable to Lake Charles
Direct:			
City of Lake Charles	\$ 46,725,395	100%	\$ 46,725,395
Total direct debt	<u>46,725,395</u>		<u>46,725,395</u>
Overlapping:			
Calcasieu Parish School Board	355,541,000	22%	77,163,848
Calcasieu Parish Police Jury	<u>16,930,510</u>	73%	<u>12,428,359</u>
Total overlapping debt	<u>372,471,510</u>		<u>89,592,207</u>
Total Direct and Overlapping Debt	<u>\$ 419,196,905</u>		<u>\$ 136,317,602</u>

Sources: Assessed value data used to estimate applicable percentages provided by Calcasieu Parish Tax Collector.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Lake Charles. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden is borne by the residents, and businesses should be taken into account.

However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the parish's taxable assessed value that is within the government's boundaries and dividing it by the parish's total taxable assessed value.

CITY OF LAKE CHARLES, LOUISIANA

Computation of Legal Debt Margin

Last Ten Fiscal Years

(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 50,258	\$ 53,554	\$ 60,093	\$ 67,169	\$ 70,314	\$ 75,308	\$ 75,325	\$ 78,017	\$ 73,658	\$ 83,219
Total net debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal debt margin	<u>\$ 50,258</u>	<u>\$ 53,554</u>	<u>\$ 60,093</u>	<u>\$ 67,169</u>	<u>\$ 70,314</u>	<u>\$ 75,308</u>	<u>\$ 75,325</u>	<u>\$ 78,017</u>	<u>\$ 73,658</u>	<u>\$ 83,219</u>
applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2021

(amounts expressed in thousands)

Assessed value	\$ 819,769
Add back: exempt real property	12,419
Total assessed value	<u>\$ 832,188</u>
Debt limit (10% of total assessed value)	\$ 83,219
Total outstanding General Obligation Bonds of City of Lake Charles	<u>-</u>
Legal capacity of City of Lake Charles for General Obligation Bonds	<u>\$ 83,219</u>

Note:

Under state finance law, the City of Lake Charles' outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds. The City of Lake Charles had \$32,438,395 outstanding bonded debt at September 30, 2021. None of this debt is General Obligation Debt secured by ad valorem taxes, and the amount applicable to the legal debt limitation is therefore zero.

All City of Lake Charles general obligation debt was paid in fiscal year 1997.

CITY OF LAKE CHARLES, LOUISIANA

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar		Personal	Per		Public	Private	Total	Unemployment
Year	Population	Income	Capita	Median	City School	City School	City School	Percentage
		(amts in	Personal	Age	Enrollment	Enrollment	Enrollment	Rate
		thousands)	Income (1)		(K-12 Grades)	(K-12 Grades)	(K-12 Grades)	
2011	72,177	2,621,757	36,324	35.9	12,399	3,482	15,881	6.8 %
2012	73,474	2,668,282	36,316	35.0	13,375	3,099	16,474	6.1 %
2013	74,024	2,663,458	35,981	35.0	13,539	3,974	17,513	5.6 %
2014	74,889	2,683,273	35,830	34.1	13,333	4,435	17,768	5.8 %
2015	76,070	2,795,649	36,751	31.8	13,357	4,430	17,787	4.2 %
2016	76,848	2,879,110	37,465	34.1	13,451	3,998	17,449	4.2 %
2017	77,117	3,154,856	40,910	35.0	12,756	4,366	17,122	3.2 %
2018	78,001	3,240,006	41,538	35.2	12,678	4,354	17,032	3.8 %
2019	78,396	3,366,481	42,942	36.2	13,457	3,591	17,048	9.4 %
2020	84,872	3,216,140	37,894	37.6	12,471	3,029	15,500	12.6 %

Notes:

- (1) Estimates for population, income, age and unemployment provided by the Bureau of Labor Statistics and the US Census Bureau
- (2) School enrollment includes public and state approved private schools only as provided by the Calcasieu Parish School Board and the Louisiana Department of Education

CITY OF LAKE CHARLES, LOUISIANA

Principal Employers in the MSA

Calendar Year 2021 and 2012

		2021		2012	
Employer	Type of Business	Number of Employees*	Rank	Number of Employees	Rank
Calcasieu Parish School System	Education	1,999-4,999	1	5,000	1
Lake Charles Memorial Health System	Health Care	1,999-4,999	2	1,194	5
Westlake Chemical Corporation	Chemicals	1,999-4,999	3		
Turner Industries Group	Contractor	1,999-4,999	4	1,500	3
L'Auberge Du Lac	Casino/Hotel/Entertainment	1,999-4,999	5	2,400	2
Golden Nugget	Casino/Hotel/Entertainment	1,999-4,999	6		
Versa Integrity Group	Industry/Oil & Gas	1,999-4,999	7		
Sun Industrial Group	Industry/Oil & Gas	1,999-4,999	8		
Sasol Chemicals, LLC	Chemicals	1,999-4,999	9		
Christus St. Patrick Hospital	Health Care	1,999-4,999	10	871	10
Axiall Corporation (formerly PPG)	Basic Chemical			1,250	4
Citgo Petroleum	Oil Products			1,160	6
Isle of Capri Casino	Gaming			1,155	7
City of Lake Charles	Government			1,032	8
Calcasieu Parish Sheriff's Office	Government			972	9
		-		16,534	

Source: SWLA Economic Development Alliance and Imperial Calcasieu Regional Planning and Development (Major Employers in Southwest Louisiana with 100+ full-time, non-contract employees)

MSA: Metropolitan Statistical Area includes all of Calcasieu and Cameron Parish. All top ten employers are in Calcasieu Parish

*Specific employment numbers were not available from the SWLA Economic Development Alliance for 2021.

CITY OF LAKE CHARLES, LOUISIANA

Full-time Equivalent City Employees by Function
Last Ten Fiscal Years

<u>Functions/Programs</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government	46.5	46.5	46.5	46.5	46.5	46.5	46.5	46.5	46.5	46.5
Finance (includes										
Water business office)	30	30	30	30	30	30	30	30	30	30
Human Resources	4	4	4	4	4	4	4	4.5	4.5	4.5
Public safety										
Fire	182	182	182	182	182	182	182	182	182	182
Police	189	189	189	189	196	196	196	195	195	195
Public works	157	157	157	157	165.5	165.5	165.5	165.5	165.5	165.5
Wastewater	65	65	65	65	65.5	65.5	65.5	69.5	69.5	69.5
Transit	19	19	19	19	19.5	19.5	19.5	19.5	19.5	19.5
Water utility	56	56	56	56	58.5	58.5	58.5	60.5	60.5	60.5
Planning and development	24	24	24	24	25	25	25	26	26	27.5
General services	27.5	27.5	27.5	27.5	29	30	30	30	30.5	30.5
Community Services	71	71	71	71	86.5	87	87.5	86.5	81	80
Total	<u>871</u>	<u>871</u>	<u>871</u>	<u>871</u>	<u>908</u>	<u>909.5</u>	<u>910</u>	<u>915.5</u>	<u>910.5</u>	<u>911</u>

Source: City budget reports

Note: Personnel count includes full time and regular part-time positions. Temporary and seasonal employees are not included.

CITY OF LAKE CHARLES, LOUISIANA

Operating Indicators by Function

Last Ten Fiscal Years

	Fiscal Year									
Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government:										
Legal: Requests for Legal Action	51	96	102	103	87	75	69	82	106	41
Printing/Communication:										
Number of mail pieces metered	175,019	100,651	121,273	85,851	79,967	61,347	60,135	63,037	58,242	52,116
Risk Management:										
Accident reports/investigations	377	415	457	503	553	558	558	425	397	349
Claims	186	205	226	249	273	322	322	207	222	191
Finance/includes Water Business:										
Checks issued	23,699	19,750	12,025	11,652	13,520	11,412	11,408	11,616	10,066	9,729
Occupational licenses processed	5,845	5,382	5,134	5,193	5,206	5,230	5,263	5,273	4,327	4,230
Purchase Orders processed	2,800	2,825	2,653	2,694	2,938	2,840	2,606	2,820	2,447	2,744
Water: Number of customers	28,926	29,704	30,042	29,980	30,226	30,862	30,993	32,104	30,051	31,288
Water: Average daily consumption (millions of gallons per day)	9.03	8.65	8.42	8.75	8.68	10.73	9.65	9.26	8.52	9.72
Human Resources:										
Applications received	1,250	1,328	1,100	971	1,011	956	825	1,016	500	532
New hires	364	436	325	416	412	417	438	385	80	122
Employee Health Fair participants	325	375	450	530	450	405	289	265	N/A	125
Public Safety:										
Fire: Calls for service	2,768	2,807	2,996	3,299	3,619	3,979	4,543	4,327	5,533	4,754
Fire: Code inspections	4,000	7,386	2,929	2,929	2,929	2,929	2,929	3,613	1,086	2,722
Police: Calls for service	108,064	125,161	121,384	106,110	130,060	128,351	132,455	136,471	84,227	81,833
Public Works:										
Solid Waste:										
Tons garbage collected	23,951	25,018	25,563	25,855	26,782	27,048	27,283	26,613	29,002	32,266
Tons incinerated	4,163	4,340	8,343	4,920	4,761	4,351	4,787	4,160	3,729	355
Tons trash collected	6,208	6,212	7,053	7,032	7,295	7,557	7,214	8,184	7,752	10,328
Streets: Work Orders	1,234	1,370	1,734	1,556	2,054	2,054	2,054	1,822	1,550	678
Transit: Bus riders	223,407	228,068	267,126	265,459	258,442	262,603	261,964	289,645	95,627	77,763
Vehicle Maintenance: Work Orders	5,841	5,877	5,498	6,078	6,598	6,444	5,660	5,386	4,367	4,871
Wastewater: Work Orders	6,000	12,371	11,898	11,787	13,823	11,195	20,199	24,567	28,325	37,522
Planning and Development:										
Building permits issued	4,356	4,762	4,122	4,603	4,840	4,331	3,983	4,981	5,973	4,415
Community Development:										
Down Payment Assistance	24	17	14	17	11	3	4	3	0	1
Rehab/Reconstruction	13	12	8	5	3	6	5	9	1	5
Street Projects	2	2	1	0	0	2	2	3	2	1
Community Services:										
Recreation and Parks										
Athletic teams	313	877 ⁺	913 ⁺	823	808	751	654	751	N/A	N/A
Summer camp attendance	447	425	430	355	355	261	788	780	N/A	N/A
Civic Center: Events	353	352	340	356	344	332	347	329	148	83
Golf Course: Rounds of golf	30,318	36,317	36,641	33,000	32,780	30,439	33,070	27,508	20,407	N/A
Art Center/Museum										
Art exhibits	16	15	15	16	15	16	16	15	5	12
Concerts/events	25	24	19	28	26	16	15	16	2	13

Source: Various city departments

+ Includes tournament teams

CITY OF LAKE CHARLES, LOUISIANA

Capital Assets Statistics by Function

Last Ten Fiscal Years

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Fire Stations in City limits	8	8	8	8	8	8	8	8	8	8
Fire Stations outside City limits	2	2	2	2	2	2	2	2	2	2
Police:										
Stations	4	4	4	3	4	7	7	7	7	2
Patrol units	98	94	111	87	114	154	179	158	158	161
Solid Waste/Recycling:										
Collection trucks	32	32	33	33	33	33	32	29	29	31
Streets:										
Streets (miles)	503	534	534	535	549	553	562	562	562	562
Streetlights	14,000	10,000	10,000	11,000	11,000	11,000	11,000	11,000	9318	9318
Traffic signals	68	66	62	64	66	64	66	63	62	60
Transit:										
Public buses	4	5	4	4	5	5	5	6	8	9
Para-transit buses	2	2	2	2	2	2	2	4	4	4
Trolley	1	1	1	1	1	1	1	1	1	1
Wastewater:										
Sanitary sewers (miles)	600	600	600	600	600	600	600	600	600	600
Storm sewers (miles)	425	425	425	425	425	425	425	425	425	425
Maximum daily treatment capacity (millions of gallons per day)	18	18	18	18	18	18	20	20	20	20
Water Utility:										
Water mains (miles)	465	430	470	473	480	480	490	495	495	525
Fire hydrants	2,954	3,000	3,000	3,050	3100	3150	3300	3350	3350	3350
Maximum daily capacity (millions of gallons per day)	22	22	22	22	22	22	22	22	22	22
Recreation and Parks:										
Park acreage	465	502	502	502	502	502	502	502	502	502
Parks	33	33	33	33	33	33	33	33	33	33
Swimming pools	2	2	2	2	2	2	2	2	2	2
Spray parks	2	2	2	2	2	2	2	2	2	2
Tennis courts	15	11	11	11	11	11	11	11	11	11
Community Centers	12	13	13	13	13	13	13	13	13	13
Civic Center	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Art Center/Museum	2	2	2	2	2	2	2	2	2	2

The City of Lake Charles fully complies with Title VI of the Civil Rights Act of 1964, Americans With Disabilities Act, and related statutes, executive orders, and regulations in all programs and activities. The City operates without regard to race, color, or national origin. Any person who believes him/herself or any specific class of persons, to be subjected to discrimination prohibited by Title VI and/or Americans with Disabilities Act may by him/herself or by representative file a written complaint with the City of Lake Charles. The City's Title VI Coordinator/ADA Coordinator may be reached by phone at (337) 491-1440, the Mayor's Action Line at (337) 491-1346, or contact the appropriate Department Head.

