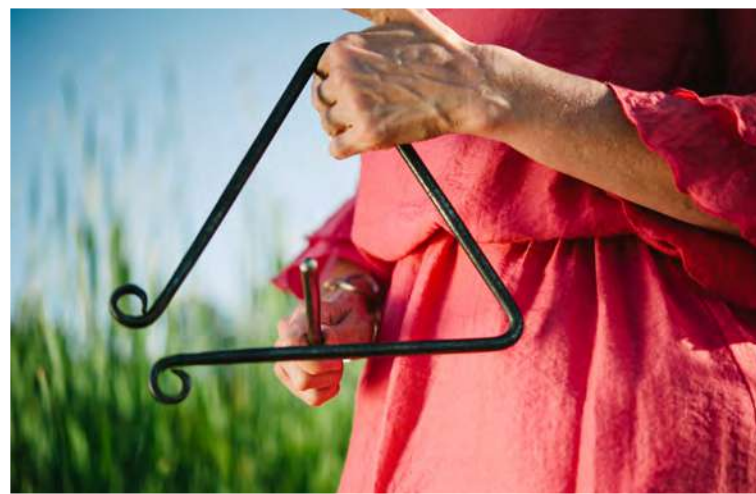


for the year ended October 31, 2020

POPULAR ANNUAL FINANCIAL REPORT



The consolidated government of the City of Lafayette and the Parish of Lafayette, Louisiana



Lafayette

Innovation with an accent.

Lafayette City-Parish Consolidated Government
Lafayette, Louisiana

For the Fiscal Year Ended
October 31, 2020

Prepared by: Office of Finance & Management
Lorrie R. Toups, CPA, Chief Financial Officer

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INTRODUCTION

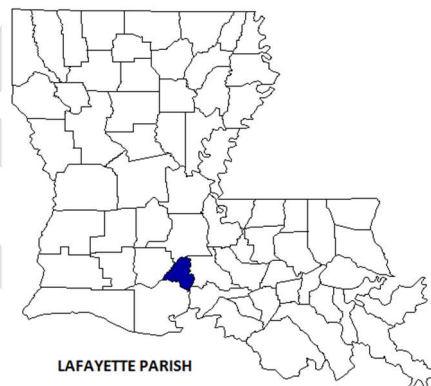
About the Popular Annual Financial Report (PAFR)

The purpose of this Popular Annual Financial Report (PAFR) is to summarize and simplify the information provided in Lafayette Consolidated Government's Comprehensive Annual Financial Report which is developed in conformity with generally accepted accounting principles and is independently audited by Kolder, Slaven & Company, LLC. Although unaudited, the PAFR provides readers a summary of the Government's revenues, expenditures, and local economic indicators for the fiscal year ended October 31, 2020.

This report is intended for readers that prefer to review operational and financial information in summary form and does not substitute the Consolidated Government's Comprehensive Annual Financial Report. For a fully detailed, fully disclosed, GAAP-based presentation of the Consolidated Government's financial position, the Comprehensive Annual Financial Report in its entirety, is available on Lafayette Consolidated Government's website at www.lafayettela.gov.

Profile of Government

The City of Lafayette, Louisiana is the parish seat of the Parish of Lafayette. The 2020 estimated population of the City is 135,737 and the Parish is 244,056. The region was settled in 1763 by exiled Acadians from Nova Scotia (commonly called Cajuns). The Parish was created on January 17, 1823 and covers a total of 277 square miles. The City of Lafayette was originally founded as Vermilionville in 1821 and later renamed Lafayette in 1884. The City was incorporated in 1914. The Parish is located in the heart of Acadiana, an eight-parish area in the center of southern Louisiana between New Orleans and Houston.



Prior to January 2020, the governing authority of LCG was the Lafayette City-Parish Council, consisting of nine members elected from nine single member districts. By a general vote of Lafayette citizens, effective January 6, 2020, this Council was replaced by two separate councils consisting of five members each. The Lafayette City Council serves as the governing authority for the City of Lafayette. The Lafayette Parish Council serves as the governing authority for the Parish of Lafayette. The City Council and Parish Council, jointly, serve as the governing authority for Lafayette City-Parish Consolidated Government. The LCG chief executive is the Mayor-President.

A listing of the principal Elected Officials as of October 31, 2020 follows:

Honorable Joshua S. Guillory

Mayor-President

Members of Parish Council

Bryan Tabor	District 1
Kevin Naquin	District 2
Josh Carlson	District 3
John J. Guilbeau	District 4
Abraham "AB" Rubin Jr.	District 5

Members of City Council

Patrick "Pat" Lewis	District 1
Andy Naquin	District 2
Liz W. Hebert	District 3
Nanette S. Cook	District 4
Glenn M. Lazard	District 5

LCG's governance structure is by home rule charter which, in its current form, was voted on by the citizenry in 1992. Although the governments were consolidated in 1996, the Home Rule Charter states that "The City of Lafayette shall continue to exist as a legal entity... and shall exercise all powers granted by general state law and the state constitution for municipalities of the same population class." The Charter also states that all fees, charges, and taxes levied by Lafayette Parish and the City of Lafayette shall continue to be levied by the City-Parish Government for purposes and services as prior to consolidation until changed by the appropriate Council(s) having legislative power over the subject matter of the fees, charges, and/or taxes, or by a vote of the people when a vote is required for tax purposes; therefore, after consolidating administration and operations of the two governments, LCG continues to maintain separate accounts for the City of Lafayette and Parish funds.

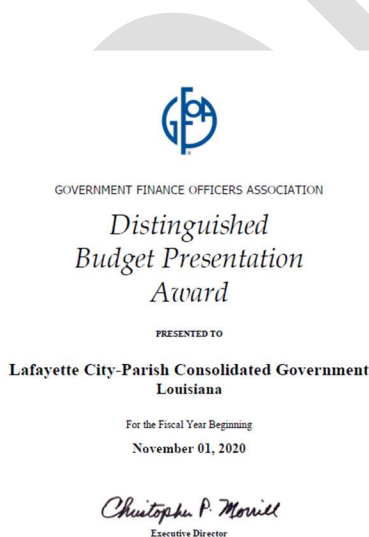
Mission Statement

The mission of Lafayette City-Parish Consolidated Government is to enhance the quality of life of our community by providing high-quality; cost-effective services that meet the needs and expectations of the public.

Local Economy

The business base of the Parish includes energy services, manufacturing, health care, transportation and distribution, education, information technology, finance, tourism, and other service-related industries. The population in Lafayette's trade market is over 600,000 people with over a million tourists visiting the area each year. More than twenty percent of the retail dollars spent in the Parish come from visitors outside the Parish's borders.

Awards



The Government Finance Officers Associate of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lafayette City-Parish Consolidated Government for its comprehensive annual financial report for the fiscal year ended October 31, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable program requirements.

In addition, Lafayette City-Parish Consolidated Government also received GFOA's Distinguished Budget Presentation Award for its annual operating budget prepared for the fiscal year ended October 31, 2020. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lafayette Consolidated Government Louisiana

For its Comprehensive Annual Financial Report For the Fiscal Year Ended

October 31, 2019

Christopher P. Morviel
Executive Director/CEO

Lafayette Consolidated Government by the Numbers – Fiscal Year 2020

Mission Statement

The mission of LCG is to enhance the quality of our community by providing high-quality; cost-effective services that meet the needs and expectations of the public.



2,278
Budgeted Employees

Budgeted Position History

	2020	2019
City General Fund	928	918
Parish General Fund	53	50
Special & Other Fund Positions (Including Grants)	<u>1,297</u>	<u>1,293</u>
Total All Funds	<u>2,278</u>	<u>2,261</u>



\$109,496,200
Combined General Fund
Final Operating Budget



2020 Construction Permits Issued
35 Commercial Permits
717 Residential Permits



4 Police Stations
237 Patrol Units
288 Police Uniform Positions



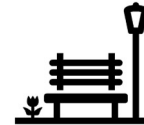
14 Fire Stations
7 Volunteer Fire Departments
263 Fire Uniform Positions



1,343 Miles of Streets
261 Bridges
21,138 Street Lights



35 Parks on 1,314 Acres
3 Golf Courses
10 Community Centers



9 Libraries
1,941,346 Items Checked Out
740,556 Visits to a Library



47 Miles of Transmission Lines
1,011 Miles of Distribution Lines
69,364 Meters in Service

986 Miles of Water Mains
6,614 Fire Hydrants
57,693 Service Connections



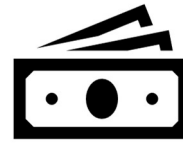
692 Miles of Sanitary Sewers
45,942 Service Connections



Parish of Lafayette by the Numbers – Fiscal Year 2020



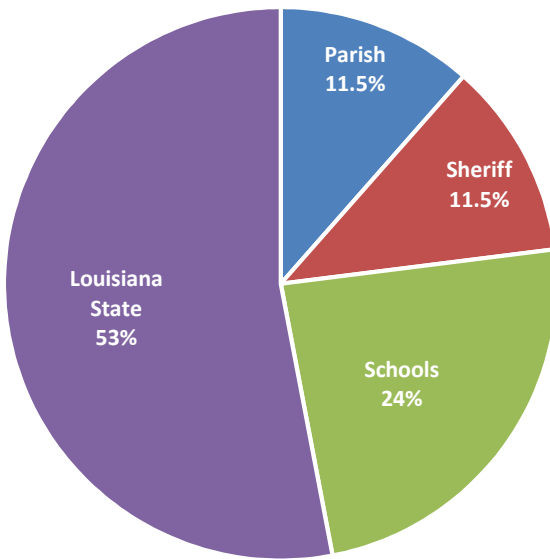
244,056
Residents



\$7,096,021
Parish General Fund
Final Operating Budget

Sales Tax Information*

	<u>Sales Tax Rate</u>
State	4.45%
Schools	2.00%
Sheriff	1.00%
Parish	<u>1.00%</u>
Total Sales Tax Rate	8.45%



Parish 1% Sales Tax **Gross Revenue**
\$5,304,706

*Note: The above Sales Tax information does not include TIF or Economic Development Districts.

Property Tax Information

	<u>Millage Rate</u>
General Alimony	4.57
Road & Bridge Maint.	4.17
Parish-wide Drainage Maint.	3.34
Adult Correctional Facility Maint.	2.06
Library	4.75
Courthouse & Jail Maint.	2.34
Juvenile Detention Home Maint.	1.17
Combined Public Health	2.21
Storm Water Management	1.10
Cultural Economy	0.25
Debt Service Contingency	<u>2.00</u>
Total Millage Rate	27.96

Principal Property Taxpayers
December 31, 2019

1. Franks Casing
2. Iberiabank
3. Wal-Mart / Sams
4. Southwest La Electric (SLEMCO)
5. Stuller Inc.
6. A T & T / Bellsouth
7. Expro Americas
8. Anadarko Petroleum
9. JP Morgan Chase
10. Atmos Energy

City of Lafayette by the Numbers – Fiscal Year 2020



135,737
Residents



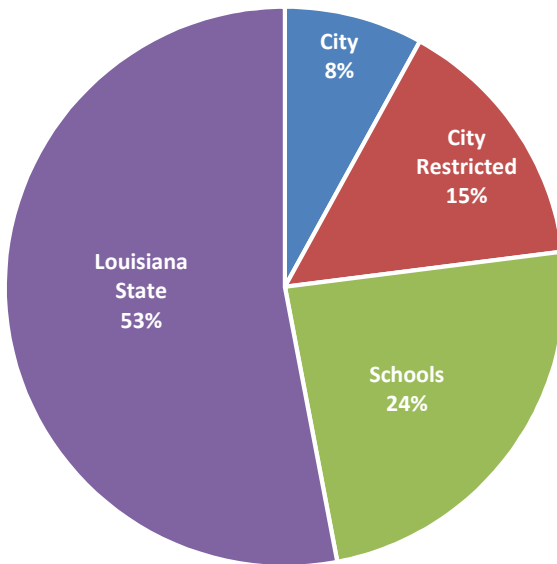
\$102,400,179
City General Fund
Final Operating Budget

Sales Tax Information*

	<u>Sales Tax Rate</u>
State	4.45%
Schools	2.00%
City Restricted	1.30%
City	<u>0.70%</u>
Total Sales Tax Rate	8.45%

Property Tax Information

	<u>Millage Rate</u>
General Alimony	5.42
Street Maintenance	1.29
Public Building Maint.	1.13
Public Safety	8.18
Parks & Recreation	<u>1.92</u>
Total Millage Rate	17.94



Principal Property Taxpayers December 31, 2019

1. Iberiabank
2. Franks Casing
3. Stuller Inc.
4. Wal-Mart / Sams
5. A T & T / Bellsouth
6. JP Morgan Chase
7. Home Bank
8. Service Chevrolet Inc.
9. P H I Inc.
10. Entergy Gulf States

	<u>Gross Revenue</u>
1961 1% Sales Tax	\$43,803,676
1985 1% Sales Tax	<u>35,891,764</u>
Total City Sales Tax	\$79,695,440

*Note: The above Sales Tax information does not include TIF or Economic Development Districts.

Budget Performance – Fiscal Year 2020

The fund structure for LCG is especially complex. City and Parish funds are accounted for separately due to the source of revenue and authority granted by the voters of both the City and the Parish. There are two general funds; one for the City and one for the Parish that are reported as one combined general fund to comply with generally accepted accounting principles.

The combined general fund final budget appropriations totaled \$109,496,200. The final actual expenditures of \$102,348,945 were \$7,147,255 less than the final budget appropriations. The final actual revenues were \$111,577,389, which was \$2,511,060 more than the budgeted amount.

Below is a condensed Combined Budgetary Comparison Schedule for the General Fund. The full schedule can be found on page 102 of the Comprehensive Annual Financial Report for the year ended October 31, 2020.

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balance, Beginning	\$56,201,952	\$56,201,952	-
Revenues:			
Taxes	88,948,780	91,967,333	3,018,553
Licenses and Permits	3,600,417	3,165,112	(435,305)
Intergovernmental	4,056,991	3,832,319	(224,672)
Charges for Services	10,315,963	10,118,260	(197,703)
Fines and Forfeits	835,000	831,488	(3,512)
Investment Earnings	631,401	817,617	186,216
Miscellaneous	677,777	845,260	167,483
Total Revenues	<u>109,066,329</u>	<u>111,577,389</u>	<u>2,511,060</u>
Expenditures:			
Current-			
General Government	30,011,234	26,748,463	3,262,771
Public Safety	74,859,469	71,716,655	3,142,814
Public Works	4,438,531	3,797,267	641,264
Culture and Recreation	86,500	1,864	84,636
Health and Welfare	41,827	41,827	-
Economic Opportunity	58,639	42,869	15,770
Total Expenditures	<u>109,496,200</u>	<u>102,348,945</u>	<u>7,147,255</u>
Excess (deficiency) of revenues over expenditures	<u>(429,871)</u>	<u>9,228,444</u>	<u>9,658,315</u>
Other Financing Sources (Uses)			
Transfers In	15,764,818	18,844,828	3,080,010
Transfers Out	(16,769,977)	(13,425,929)	3,344,048
Total Other Financing Sources (Uses)	<u>(1,005,159)</u>	<u>5,418,899</u>	<u>6,424,058</u>
Net Change in Fund Balance	<u>(1,435,030)</u>	<u>14,647,343</u>	<u>16,082,373</u>
Fund Balance, Ending	<u>\$54,766,922</u>	<u>\$70,849,295</u>	<u>\$16,082,373</u>

Some of the highlights of comparing the final budget to actual for the fiscal year include the following:

- General Government had a positive variance of \$3.3 million primarily due to reductions in operating expenses such as personnel salaries and related costs, contractual and professional services, and incomplete projects.
- Public Works had a positive variance of \$641 thousand due to reductions in general operating costs and incomplete projects.

Property Taxes

City of Lafayette

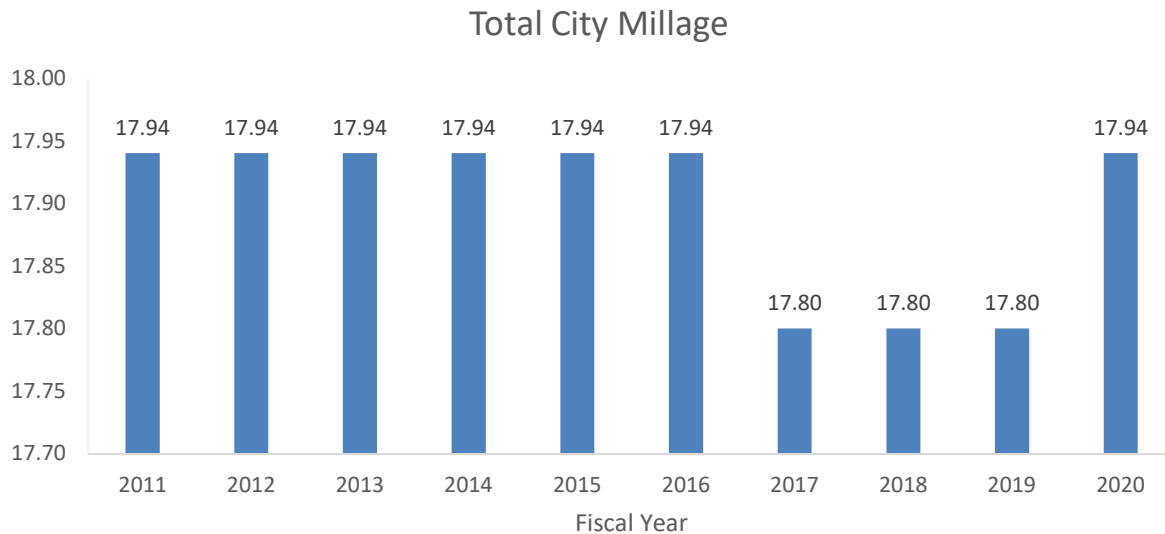
Taxes are levied by the City in April or May and are billed to taxpayers in November. The taxes are levied for the period of November 1 through October 31. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The City bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Lafayette Parish.

For the year ended October 31, 2020, taxes of 17.94 mills were levied on property with net assessed valuations totaling \$1,599,085,838 and were dedicated as follows:



Total taxes levied were \$28,687,671. Taxes receivable at October 31, 2020 totaled \$1,208,245, all of which is considered uncollectible. Therefore, an allowance for uncollectible taxes was established for the entire balance, resulting in net taxes receivable of \$0.

History of the total City millage levied is reported below:



Property Taxes (Continued)

Parish of Lafayette

During fiscal year 2020, taxes were levied by Lafayette Parish in August of 2019 and were billed to the taxpayers by the Assessor in November of 2019 for the period November 1, 2019 through October 31, 2020. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Lafayette and are collected by the Sheriff. The taxes are remitted net of deductions for Pension Fund contributions.

For the year ended October 31, 2020, taxes of 27.96 mills were levied on property with net assessed valuations totaling \$2,349,992,652 and were dedicated as follows:



4.57 mills
General
Alimony



4.17 mills
Road & Bridge
Maintenance



3.34 mills
Drainage
Maintenance



2.06 mills
Adult
Correctional
Center



4.75 mills
Library



2.34 mills
Courthouse &
Jail Maint.



1.17 mills
Juvenile
Detention
Home Maint.



2.21 mills
Combined
Public Health



1.10 mills
Storm Water
Management



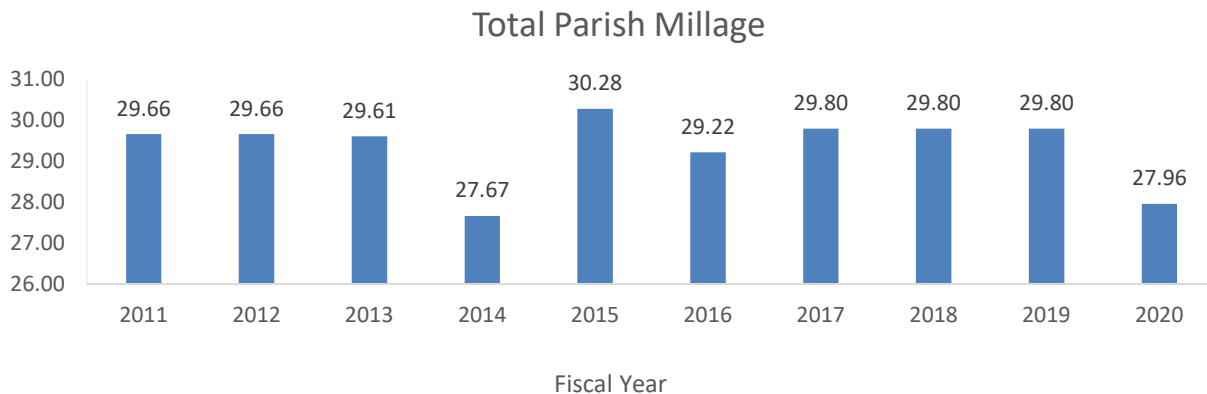
0.25 mills
Cultural
Economy



2.00 mills
Debt Service
Contingency

Total taxes levied during 2019 for 2020, exclusive of homestead exemptions, were \$59,159,059. Taxes receivable at October 31, 2020 totaled \$982,447, all of which is considered uncollectible. Therefore, an allowance for uncollectible taxes was established for the entire balance, resulting in net taxes receivable of \$0.

History of total Parish millage levied is reported below:



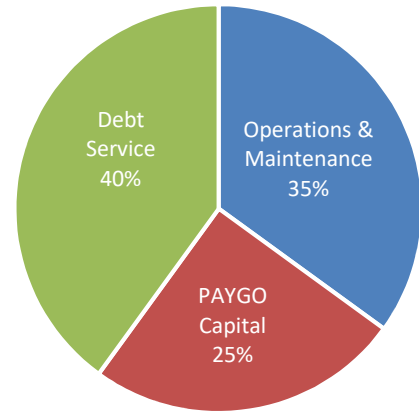
Sales Taxes

Sales taxes make up one of the largest parts of local revenues and are usually restricted (dedicated) to specific uses by the voters.







City of Lafayette

Proceeds of the 1961 one percent (1%) general sales and use tax levied by the City of Lafayette are dedicated to capital improvements such as street improvements, building construction, drainage, and any other work of permanent public improvement. Proceeds of the 1985 one percent (1%) general sales and use tax levied by the City of Lafayette is dedicated to capital improvements for streets and drainage. Both the 1961 and 1985 general sales and use taxes are dedicated to supplementing the revenues of the City's General Fund after providing the debt service on outstanding bonds, provided that such an amount cannot exceed 35% of the annual sales tax revenues.

City Sales & Use Tax 2%









Where does my sales tax go in the City of Lafayette?

Purchase		=	\$10.00
State of Louisiana		=	\$0.45
Schools		=	\$0.20
City Restricted		=	\$0.13
City		=	\$0.07
<hr/>			
Total Cost		=	\$10.85

Parish of Lafayette

Lafayette Parish is authorized by the voters to levy and collect one percent (1%) general sales and use tax on a parish-wide basis except for territory located within the boundaries of any incorporated municipality situated within the Parish. The net proceeds of the sales tax are deposited in the Parish General Fund for general expenditures.

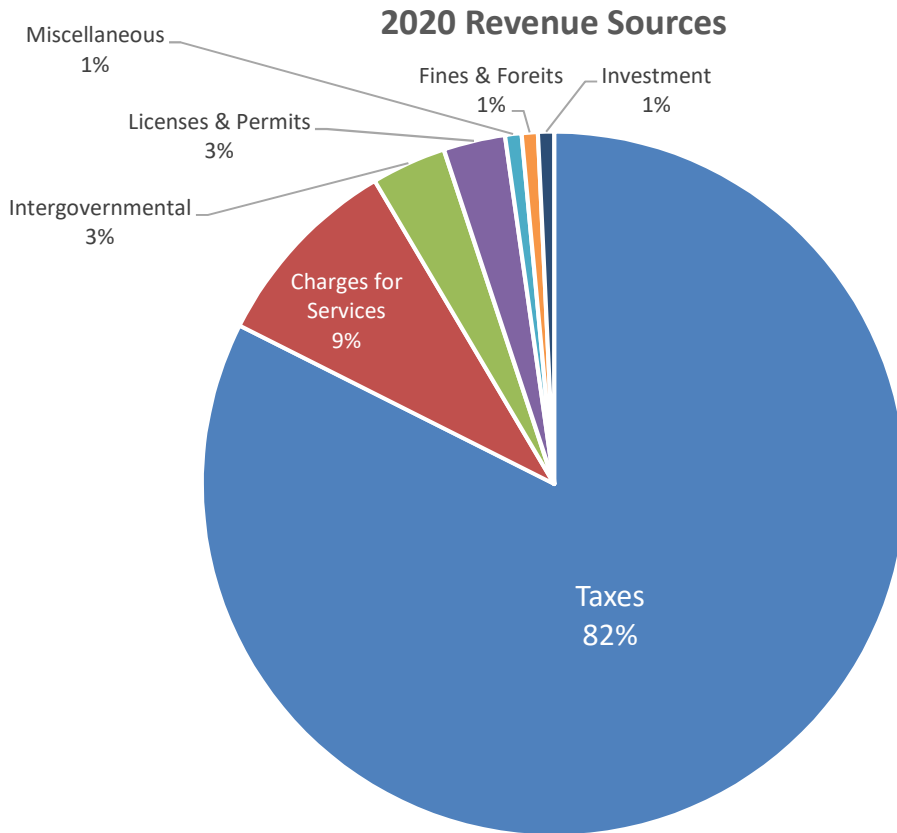
Where does my sales tax go in the Unincorporated Areas of Lafayette?

Purchase		=	\$10.00
State of Louisiana		=	\$0.45
Schools		=	\$0.20
Sheriff		=	\$0.10
Parish		=	\$0.10
<hr/>			
Total Cost		=	\$10.85

Revenues: Where it Came From

In fiscal year 2020, \$92 million or 82% of the General Fund revenues were from taxes. Taxes includes Ad Valorem, Sales & Use, Payment in Lieu of taxes and others.

The chart below graphically depicts the sources of revenue for the General Fund.

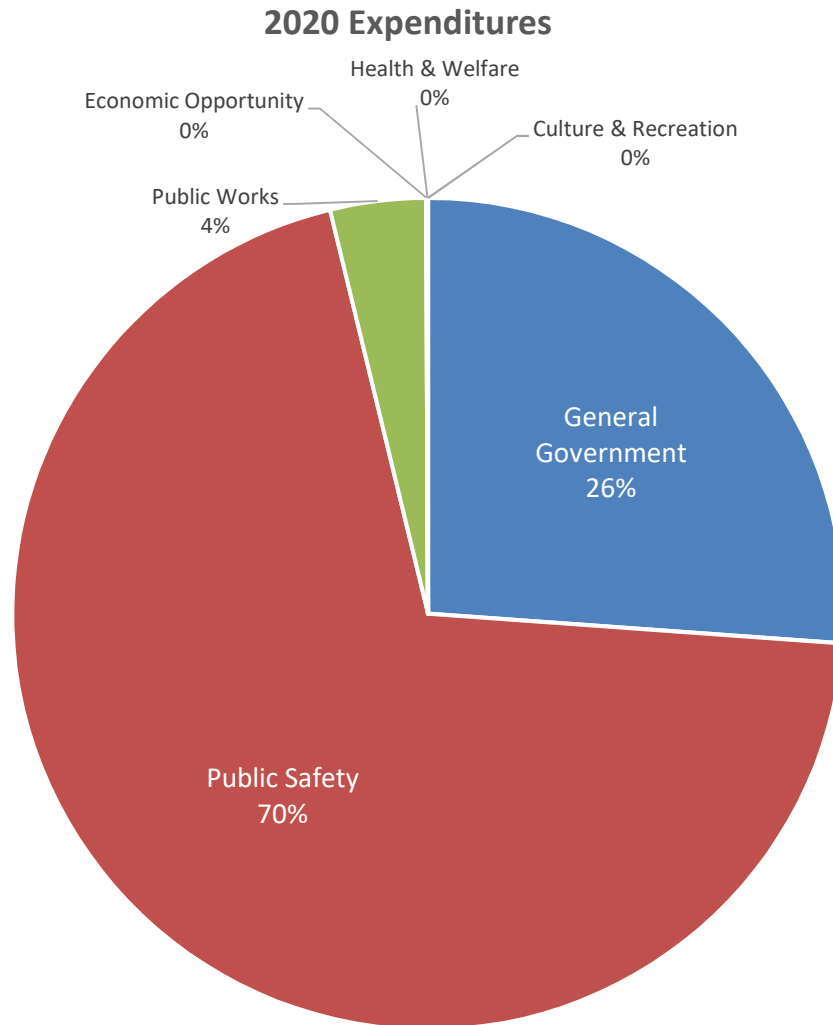


2020 Revenue Sources	Amount
Taxes	\$91,967,333
Charges for Services	10,118,260
Intergovernmental	3,832,319
Licenses & Permits	3,165,112
Miscellaneous	845,260
Fines & Forfeits	831,488
Investment	817,617

Expenditures: Where it Went

The 2020 General Fund expenditures totaled \$102,348,945 which is below the final budgeted amount of \$109,496,200. The General Fund budget provides funding for all major programs except those required to be accounted for in another fund. Public Safety accounted for the majority of the General Fund expenditures at \$71,716,655 or 70% of actual expenditures.

The chart below graphically depicts the expenditures for the General Fund.

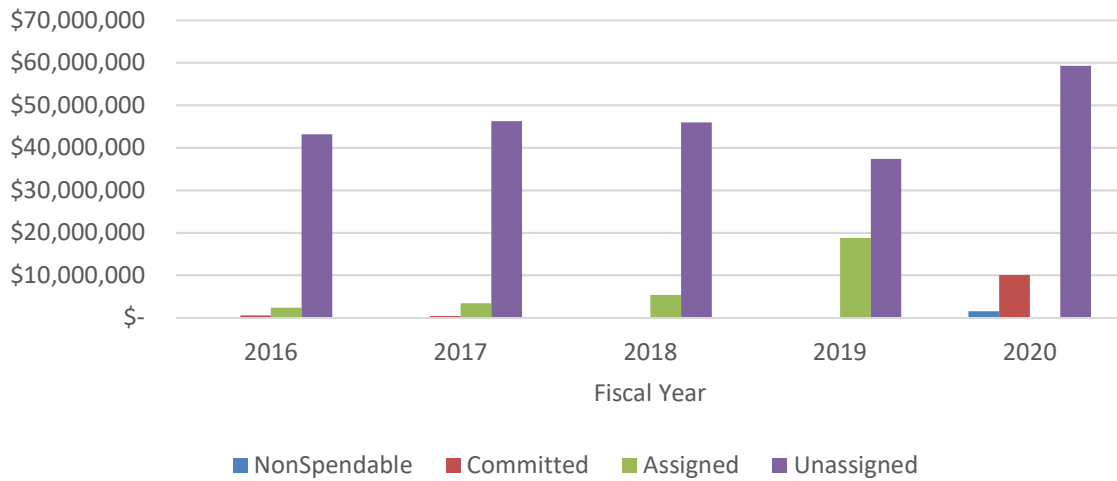


2020 Expenditures	Amount
General Government	\$26,748,463
Public Safety	71,716,655
Public Works	3,797,267
Economic Opportunity	42,869
Health & Welfare	41,827
Culture & Recreation	1,864

Fund Balance

Fund balance shows Lafayette Consolidated Government’s overall financial health. For the fiscal year 2020, the fund balance for the combined General Fund equaled \$70,849,295. 84% of the total fund balance, or \$59,297,187 is unassigned fund balance, which is a sign of strong financial health. There are two major categories for fund balance: nonspendable (not in spendable form) and spendable. Spendable Fund Balance is further broken down into four categories; restricted, committed, assigned, and unassigned.

Combined General Fund - Fund Balance History



Combined General Fund – Fund Balance History					
Fiscal Year	2016	2017	2018	2019	2020
NonSpendable	\$ 1,465	\$ -	\$ 3,349	\$ 6,392	\$ 1,535,313
Committed	519,458	404,616	-	-	10,016,795
Assigned	2,380,487	3,406,257	5,353,753	18,794,764	-
Unassigned	43,177,179	46,256,283	45,966,658	37,400,796	59,297,187
Total Fund Balance	\$46,078,589	\$50,067,156	\$51,323,760	\$56,201,952	\$70,849,295

Fund Balance Policy

It is the intent of LCG administration to maintain at a minimum its unassigned fund balance for City General Fund at 20% of the total fund’s operating expenses. Under this policy, LCG administration, in its budgeting process, submits a proposed budget to the City Council and the Parish Council that adheres strictly to the fund balance requirements. This policy has not yet been ratified by the City Council and Parish Council and during the budget adoption process the Councils may, at their discretion, amend the budget in such a way that this policy is violated. In such cases, policy violations will be discussed in the administration’s transmittal letter in the final budget document. Additionally, the City Council and the Parish Council may be asked to provide a discussion of these decisions and, if provided, will be included in the final budget document as well.

Preserving the fund balance affects everything from the ability to cover operating expenses during periods of reduced cash flow, to preserving or improving the City and Parish’s bond ratings.