

TOWN OF ST. FRANCISVILLE, LOUISIANA

FINANCIAL REPORT

JUNE 30, 2022



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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Board of Aldermen
Town of St. Francisville, Louisiana

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, budgetary comparison schedules on pages 50 through 52, schedule of the Town's proportionate share of net pension liability on page 53, schedule of the Town's contributions on page 54, and notes to required supplementary information on page 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the Town's basic financial statements. The accompanying schedule of principal officials and salaries, the schedule of compensation, benefits, other payments to agency head, the justice funding schedule – collecting/disbursing entity, and the justice funding schedule – receiving entity are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of principal officials and salaries, the schedule of compensation, benefits, other payments to agency head, and the justice funding schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included with the financial statements. The other information comprises the performance and statistical data but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, on our consideration of the Town'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Donaldsonville, LA
November 30, 2022

REQUIRED SUPPLEMENTARY INFORMATION – PART I

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

This section of the Town of St. Francisville's (the Town) annual financial report presents our discussion and analysis of the Town's financial performance during the year ended on June 30, 2022. Please read it in conjunction with the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Town's combined total net position, increased by approximately \$701,000 or 8.9% over the course of this year's operations. Net position of our governmental activities increased approximately \$383,000 or 6.7% while net position of our business-type activities increased approximately \$318,000 or 14.6%.
- The general fund reported approximately \$1.7 million in fund balance at year end.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.
 - The governmental fund statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Proprietary fund statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*, such as the water and gas systems.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Town's financial statements, including the portion of the Town's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Figure A-1
Major Features of the Town's Government and Fund Financial Statements

	Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire Town government (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary, such as police, fire, and streets	Activities the Town operates similar to private businesses: the water and gas system
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expense, and changes in net position • Statement of cash flows
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets and liabilities, both financial and capital, and short-term and long-term debt
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Government-wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. Net position - the difference between the Town's assets and deferred outflows of resources and liabilities and deferred inflows of resources - is one way to measure the Town's financial health or position.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town you need to consider additional nonfinancial factors such as changes in the Town's property tax base and the condition of the Town's roads.

The government-wide financial statements of the Town are divided into two categories:

- Governmental activities - most of the Town's basic services are included here, such as the police, fire, public works, and general administration. Property taxes, sales taxes, franchise fees, and interest finance most of these activities.
- Business-type activities - The Town charges fees to customers to help it cover the costs of certain services it provides. The Town's water and gas systems are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's most significant funds - not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for particular purposes.

Some funds are required by State law, while others may be required by bond covenants. The Town has two kinds of funds:

- Governmental funds - Most of the Town's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. The Town maintains five major governmental funds. The General Fund, Sales and Use Tax Fund, Economic Development Fund, Capital Projects Fund, and Debt Service Fund. Information is presented separately in the fund financial statements.
- Proprietary funds - Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. In fact, the Town's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The Town maintains two major proprietary funds. The Gas and Utility Fund and the Water Utility Fund. Information is presented separately in the fund financial statements.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

	Table A-1			
	Town's Net Position			
	Governmental Activities		Business-Type Activities	
	2022	2021	2022	2021
ASSETS				
Current and other assets	\$ 8,392,175	\$ 2,838,899	\$ 780,060	\$ 559,129
Capital assets	4,055,102	3,750,572	2,674,670	2,725,260
TOTAL ASSETS	12,447,277	6,589,471	3,454,730	3,284,389
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	233,407	237,029	78,737	114,177
TOTAL DEFERRED OUTFLOWS OF RESOURCES	233,407	237,029	78,737	114,177
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	12,680,684	6,826,500	3,533,467	3,398,566
LIABILITIES				
Current liabilities	833,383	240,989	216,959	294,535
Long-term liabilities	5,480,922	791,556	747,812	917,776
TOTAL LIABILITIES	6,314,305	1,032,545	964,771	1,212,311
DEFERRED INFLOWS OF RESOURCES				
Pension related	260,237	71,092	71,779	7,293
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	6,574,542	1,103,637	1,036,550	1,219,604
NET POSITION				
Net investment in capital assets	4,004,726	3,747,249	2,182,009	2,133,019
Restricted	-	-	13,267	14,332
Unrestricted	2,101,416	1,975,614	301,641	31,611
TOTAL NET POSITION	\$ 6,106,142	\$ 5,722,863	\$ 2,496,917	\$ 2,178,962

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Change in net position. The Town's total net position increased approximately \$701,000 (See Table A-2).

Approximately 59.9 percent of the Town's revenue comes from charges for services and 26.9 percent comes from tax collections.

The total cost of all programs and services increased by approximately \$3.3 million or 86.6 percent.

	Table A-2			
	Changes in Town's Net Position			
	Governmental Activities		Business-Type Activities	
	2022	2021	2022	2021
Revenues				
Program revenues				
Charges for services	\$ 206,255	\$ 214,913	\$ 4,575,910	\$ 1,351,133
Operating grants and contributions	24,875	221,906	9,741	-
Capital grants and contributions	85,300	18,724	164,866	-
General revenues				
Taxes	2,146,368	1,715,776	-	-
Licenses and permits	117,325	105,717	-	-
Intergovernmental	60,181	55,363	-	-
Fines	165,540	219,231	-	-
Miscellaneous	424,626	404,407	886	25,024
Total revenues	3,230,470	2,956,037	4,751,403	1,376,157
Expenses				
General government	758,152	776,876	-	-
Public safety	762,001	773,244	-	-
Streets	355,515	344,378	-	-
Sewer operations	426,813	339,295	-	-
Economic development	352,379	228,691	-	-
Business-type expenses	-	-	4,608,668	1,437,804
Debt service expenses:				
Interest and fiscal charges	17,112	1,340	-	-
Total expenses	2,671,971	2,463,824	4,608,668	1,437,804
Increase (decrease) in net position before transfers	558,499	492,213	142,735	(61,647)
Transfers (to) from	(175,220)	(154,478)	175,220	154,478
Increase in net position	383,279	337,735	317,955	92,831
Beginning net position	5,722,863	5,385,128	2,178,962	2,086,131
Net position	\$ 6,106,142	\$ 5,722,863	\$ 2,496,917	\$ 2,178,962

Governmental Activities

Revenues for the Town's governmental activities increased approximately \$274,000 or 9.3 percent, while total expenses increased approximately \$208,000 or 8.5 percent. Taxes increased by approximately 25.1 percent which was offset by a decrease in operating grants and contributions of 100 percent. The increase in taxes is largely due to the current year being the first full year of the .5% sales tax which was approved by voters in 2021. The decrease in operating grants is due to Cares Act funding received during the prior year. No such funding received in the current year.

Business-Type Activities

Revenues for the Town's business-type activities increased approximately \$3.4 million or 245.3 percent and costs of services increased approximately \$3.2 million or 220.5 percent. Both the increase in revenue and costs of service relate to a new gas supply agreement entered into during the current year. See note 15 for further information.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

For the year ended June 30, 2022, its governmental funds reported a combined fund balance of approximately \$8 million while the enterprise funds reported combined net position of approximately \$2.5 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Town Council revised the Town's General Fund budget to adjust various revenues and expenditures. The amended budget reflected primarily changes in revenues related to grants with an increase of approximately \$339,000. The Amended budget also reflected an increase in expenses related to capital outlay of approximately \$273,000. With the final budgetary basis, actual revenues were approximately \$19,000 less than final budgeted revenues in total and actual expenditures and other financing sources were approximately \$31,000 less than the total final budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At June 30, 2022, the Town had invested approximately \$6,729,800 in a broad range of capital assets, including police and fire department equipment, buildings, vehicles, and gas and water systems. (See Table A-3) This amount represents a net increase (including additions and deductions) of approximately \$254,000 over last year.

Table A-3				
Town's Capital Assets				
	Governmental Activities		Business-Type Activities	
	2022	2021	2022	2021
Improvements other than buildings	\$ 4,055,183	\$ 4,023,995	\$ 1,278,046	\$ 980,759
Buildings	973,506	880,666	497,005	497,005
Equipment	3,033,013	2,947,257	4,869,961	4,850,166
Land	715,886	715,886	6,523	6,523
Infrastructure	868,034	632,212	-	-
Construction in progress	473,382	262,400	-	189,351
Accumulated depreciation	(6,063,902)	(5,711,844)	(3,976,865)	(3,798,544)
Total	\$ 4,055,102	\$ 3,750,572	\$ 2,674,670	\$ 2,725,260

This year's major capital asset additions include:

- Construction in progress related to the Wastewater Treatment Plant in the amount of \$210,982.
- Improvements other than building additions related to the completion of Royal Street Water Improvement Project in the amount of \$297,287.
- Infrastructure additions related to completion of drainage project for various streets in the amount of \$235,822.
- Building additions related to board room renovations and town hall roof replacements in the amount of approximately \$69,000 in total.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Long-term liabilities. At the end of the current fiscal year, the Town had long-term liabilities outstanding of approximately \$5.8 million, as compared to approximately \$656,000 in the prior year, an increase of \$5,177,100 or 789.2 percent. (See Table A-4). More information about the Town's long-term liabilities is presented in Note 8 to the financial statements.

Table A-4
Town's Outstanding Liabilities

	Governmental Activities		Business-Type Activities	
	2022	2021	2022	2021
Utility Revenue Bond	\$ -	\$ -	\$ 534,593	\$ 585,509
Revenue Bond	5,250,000	-	-	-
Asset Purchase Financing	-	3,323	-	4,935
Compensated Absences	40,045	48,959	8,462	13,243
Total	\$ 5,290,045	\$ 52,282	\$ 543,055	\$ 603,687

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's major sources of revenue for the general and sales tax funds are comprised from sales tax, licenses and permits, and charges for services.

The Town is currently in the planning and design phase of a sewer rehabilitation project. Subsequent to year end, the project has an estimated cost of \$5,700,000. The current cost incurred and included in CIP at June 30, 2022 is \$461,421. A one-half of one percent (1/2%) sales and use tax for a period of fifteen (15) years was levied, beginning April 1, 2021 for the purpose of repaying the \$5.25 million bond issued May 25, 2022. This bond will be used for constructing, acquiring, extending, improving, maintaining, operating, and decommissioning sewerage facilities.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Stacy Orr, Town Clerk, PO Box 400, St. Francisville, LA 70775.

BASIC FINANCIAL STATEMENTS

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,084,792	\$ 454,391	\$ 1,539,183
Investments	1,800,728	2,112	1,802,840
Accounts receivable, net	17,593	102,116	119,709
Internal balances	(3,210)	3,210	-
Due from other governmental units	143,035	24,866	167,901
Other receivables	85,746	51,187	136,933
Prepaid insurance	44,403	29,602	74,005
Restricted assets:			
Cash and cash equivalents	-	112,576	112,576
Investments	5,219,088	-	5,219,088
Capital assets, net	4,055,102	2,674,670	6,729,772
Total assets	<u>12,447,277</u>	<u>3,454,730</u>	<u>15,902,007</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related	<u>233,407</u>	<u>78,737</u>	<u>312,144</u>
Total outflows of resources	<u>233,407</u>	<u>78,737</u>	<u>312,144</u>
<u>LIABILITIES</u>			
Accounts payable	96,908	43,255	140,163
Accrued payables	44,398	13,299	57,697
Accrued interest payable	17,063	1,739	18,802
Customer deposits	-	99,309	99,309
Compensated absences	40,045	8,462	48,507
Retainage payable	19,464	-	19,464
Unearned revenue	300,505	-	300,505
Long-term liabilities:			
Net pension liability	545,922	264,114	810,036
Bond payable			
Due within one year	315,000	50,895	365,895
Due in more than one year	4,935,000	483,698	5,418,698
Total liabilities	<u>6,314,305</u>	<u>964,771</u>	<u>7,279,076</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related	<u>260,237</u>	<u>71,779</u>	<u>332,016</u>
Total deferred inflows of resources	<u>260,237</u>	<u>71,779</u>	<u>332,016</u>
<u>NET POSITION</u>			
Net investment in capital assets	4,004,726	2,182,009	6,186,735
Restricted	-	13,267	13,267
Unrestricted	2,101,416	301,641	2,403,057
Total net position	<u>\$ 6,106,142</u>	<u>\$ 2,496,917</u>	<u>\$ 8,603,059</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Revenues			Net Program (Expense)/Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental activities:							
General government	\$ 758,152	\$ -	\$ 24,875	\$ 45,000	\$ (688,277)	\$ -	\$ (688,277)
Public safety	762,001	-	-	40,300	(721,701)	-	(721,701)
Streets	355,514	-	-	-	(355,514)	-	(355,514)
Sewer operations	426,813	206,255	-	-	(220,558)	-	(220,558)
Economic development	352,379	-	-	-	(352,379)	-	(352,379)
Debt service:							
Interest and fiscal charges	17,112	-	-	-	(17,112)	-	(17,112)
Total governmental activities	2,671,971	206,255	24,875	85,300	(2,355,541)	-	(2,355,541)
Business-type activities:							
Gas services	4,020,542	4,112,729	3,769	-	-	95,956	95,956
Water services	588,126	463,181	5,972	164,866	-	45,893	45,893
Total business-type activities	4,608,668	4,575,910	9,741	164,866	-	141,849	141,849
Total primary government	\$ 7,280,639	\$ 4,782,165	\$ 34,616	\$ 250,166	(2,355,541)	141,849	(2,213,692)
General revenues:							
Ad valorem taxes					164,663	-	164,663
Sales and use taxes					1,981,705	-	1,981,705
Licenses and permits					117,325	-	117,325
Intergovernmental revenue					60,181	-	60,181
Interest income					10,070	85	10,155
Fines					165,540	-	165,540
Other					414,556	801	415,357
Transfers (to) from other funds					(175,220)	175,220	-
Total general revenues					2,738,820	176,106	2,914,926
Change in net position					383,279	317,955	701,234
Net Position - June 30, 2021					5,722,863	2,178,962	7,901,825
Net Position - June 30, 2022					\$ 6,106,142	\$ 2,496,917	\$ 8,603,059

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022

	<u>General</u>	<u>Sales and Use Tax</u>	<u>Economic Development</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 313,237	\$ 749,622	\$ 21,933
Investments	1,641,166	-	159,562
Accounts receivable, net	-	17,593	-
Due from other governmental units	-	143,035	-
Other receivables	80,889	-	-
Due from other funds	-	954	-
Prepaid insurance	30,342	14,061	-
Restricted assets - investments	-	-	-
	<u>\$ 2,065,634</u>	<u>\$ 925,265</u>	<u>\$ 181,495</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 5,196	\$ 4,577	\$ -
Salaries, payroll deductions, and withholdings payable	24,060	18,801	1,537
Retainage payable	19,464	-	-
Due to other funds	4,164	-	-
Unearned revenue	300,505	-	-
	<u>353,389</u>	<u>23,378</u>	<u>1,537</u>
Fund balances:			
Nonspendable	30,342	14,061	-
Restricted			
Debt service	-	-	-
Sanitary sewer system operations	-	887,826	-
Economic development	-	-	179,958
Capital projects	-	-	-
Unassigned	1,681,903	-	-
	<u>1,712,245</u>	<u>901,887</u>	<u>179,958</u>
Total liabilities and fund balances	<u>\$ 2,065,634</u>	<u>\$ 925,265</u>	<u>\$ 181,495</u>

The accompanying notes are an integral part of this statement. - 13 -

Capital Projects	Debt Service	Total Governmental Funds
\$ -	\$ -	\$ 1,084,792
-	-	1,800,728
-	-	17,593
-	-	143,035
4,857	-	85,746
-	-	954
-	-	44,403
5,175,664	43,424	5,219,088
<u>\$ 5,180,521</u>	<u>\$ 43,424</u>	<u>\$ 8,396,339</u>
\$ 87,135	\$ -	\$ 96,908
-	-	44,398
-	-	19,464
-	-	4,164
-	-	300,505
<u>87,135</u>	<u>-</u>	<u>465,439</u>
-	-	44,403
-	43,424	43,424
-	-	887,826
-	-	179,958
5,093,386	-	5,093,386
-	-	1,681,903
<u>5,093,386</u>	<u>43,424</u>	<u>7,930,900</u>
<u>\$ 5,180,521</u>	<u>\$ 43,424</u>	<u>\$ 8,396,339</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balances at June 30, 2022 - governmental funds		\$ 7,930,900
Cost of capital assets at June 30, 2022	10,119,004	
Less: accumulated depreciation as of June 30, 2022	<u>(6,063,902)</u>	4,055,102
Long-term assets at June 30, 2022		
Deferred outflows - pension related	<u>233,407</u>	233,407
Long-term liabilities at June 30, 2022		
Bond Payable	(5,250,000)	
Accrued interest payable	(17,063)	
Compensated absences payable	(40,045)	
Net pension liability	(545,922)	
Deferred inflows - pension related	<u>(260,237)</u>	
		<u>(6,113,267)</u>
Total net position at June 30, 2022 - governmental activities		<u>\$ 6,106,142</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

	<u>General</u>	<u>Sales and Use Tax</u>	<u>Economic Development</u>
<u>REVENUES</u>			
Taxes	\$ 164,663	\$ 1,803,281	\$ -
Hotel/Motel tax	-	-	178,424
Grants	85,300	-	-
Occupational licenses and permits	117,325	-	-
Intergovernmental	31,931	-	-
State supplemental pay	28,250	-	-
Charges for services	-	206,255	-
Other charges	254,469	-	-
Fines and forfeitures	165,540	-	-
Interest	4,100	262	436
Other	135,137	-	24,950
Total revenues	<u>986,715</u>	<u>2,009,798</u>	<u>203,810</u>
<u>EXPENDITURES</u>			
Current:			
General government	234,998	549,864	-
Public safety	685,166	-	-
Streets	223,792	-	-
Sewer operations	-	252,876	-
Culture, recreation, and economic development	-	-	311,189
Capital outlay	360,471	148,768	67,285
Debt service:			
Principal	3,323	-	-
Interest and fiscal charges	49	-	-
Bond issuance cost	-	-	-
Total expenditures	<u>1,507,799</u>	<u>951,508</u>	<u>378,474</u>
Excess of revenues (under) over expenditures	<u>(521,084)</u>	<u>1,058,290</u>	<u>(174,664)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Bond proceeds	-	-	-
Operating transfers in	334,299	50,000	90,000
Operating transfers out	-	(692,943)	-
Total other financing sources (uses)	<u>334,299</u>	<u>(642,943)</u>	<u>90,000</u>
Net Change in Fund Balance	(186,785)	415,347	(84,664)
<u>FUND BALANCE</u>			
Fund Balance at June 30, 2021	1,899,030	486,540	264,622
Fund Balance at June 30, 2022	<u>\$ 1,712,245</u>	<u>\$ 901,887</u>	<u>\$ 179,958</u>

The accompanying notes are an integral part of this statement.

Capital Projects	Debt Service	Total
\$ -	\$ -	\$ 1,967,944
-	-	178,424
-	-	85,300
-	-	117,325
-	-	31,931
-	-	28,250
-	-	206,255
-	-	254,469
-	-	165,540
5,272	-	10,070
-	-	160,087
<u>5,272</u>	<u>-</u>	<u>3,205,595</u>
-	-	784,862
-	-	685,166
-	-	223,792
-	-	252,876
-	-	311,189
87,135	-	663,659
-	-	3,323
-	-	49
74,751	-	74,751
<u>161,886</u>	<u>-</u>	<u>2,999,667</u>
<u>(156,614)</u>	<u>-</u>	<u>205,928</u>
5,250,000	-	5,250,000
43,424	43,424	561,147
(43,424)	-	(736,367)
<u>5,250,000</u>	<u>43,424</u>	<u>5,074,780</u>
5,093,386	43,424	5,280,708
-	-	2,650,192
<u>\$ 5,093,386</u>	<u>\$ 43,424</u>	<u>\$ 7,930,900</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Total net changes in fund balance - governmental funds		\$ 5,280,708
Capital assets:		
Capital outlay and other expenditures capitalized	663,659	
Depreciation expense for the year ended June 30, 2022	<u>(359,129)</u>	304,530
Long-term debt:		
Asset purchase financing	3,323	
Bond proceeds	(5,250,000)	
Excess of interest accrued over interest paid	(17,063)	
Excess of compensated absences earned over amounts used	<u>8,914</u>	(5,254,826)
Net change in pension liability and deferred inflows/outflows of resources		<u>52,867</u>
Change in net position - governmental activities		<u><u>\$ 383,279</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022

	Gas Utility Fund	Water Utility Fund	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 289,409	\$ 164,982	\$ 454,391
Investments	-	2,112	2,112
Accounts receivable, net for uncollectible accounts	64,405	37,711	102,116
Due from other funds	30,216	-	30,216
Due from other governmental units	-	24,866	24,866
Other receivables	51,187	-	51,187
Prepaid insurance	14,801	14,801	29,602
Total current assets	<u>450,018</u>	<u>244,472</u>	<u>694,490</u>
Restricted assets:			
Restricted cash and cash equivalents:			
Meter deposit fund	77,046	35,530	112,576
Total restricted assets	<u>77,046</u>	<u>35,530</u>	<u>112,576</u>
Noncurrent assets:			
Capital assets, net	1,242,311	1,432,359	2,674,670
Total noncurrent assets	<u>1,242,311</u>	<u>1,432,359</u>	<u>2,674,670</u>
Total assets	<u>1,769,375</u>	<u>1,712,361</u>	<u>3,481,736</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related	61,058	17,679	78,737
Total deferred outflow of resources	<u>61,058</u>	<u>17,679</u>	<u>78,737</u>
<u>LIABILITIES</u>			
Current liabilities:			
Payable from current assets:			
Accounts payable and accrued expenses	42,702	13,852	56,554
Due to other funds	-	27,006	27,006
Accrued interest payable	470	1,269	1,739
Compensated absences	2,059	6,403	8,462
Debt payable in one year	13,734	37,161	50,895
Payable from restricted assets:			
Customer deposits	69,145	30,164	99,309
Total current liabilities	<u>128,110</u>	<u>115,855</u>	<u>243,965</u>
Noncurrent liabilities:			
Debt payable after one year	130,528	353,170	483,698
Net pension liability	177,321	86,793	264,114
Total noncurrent liabilities	<u>307,849</u>	<u>439,963</u>	<u>747,812</u>
Total liabilities	<u>435,959</u>	<u>555,818</u>	<u>991,777</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related	31,246	40,533	71,779
Total deferred inflows of resources	<u>31,246</u>	<u>40,533</u>	<u>71,779</u>
<u>NET POSITION</u>			
Net investment in capital assets	1,098,049	1,083,960	2,182,009
Restricted	7,901	5,366	13,267
Unrestricted	257,278	44,363	301,641
Total net position	<u>\$ 1,363,228</u>	<u>\$ 1,133,689</u>	<u>\$ 2,496,917</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Gas Utility Fund	Water Utility Fund	Total
<u>OPERATING REVENUES</u>			
Charges for services	\$ 4,112,729	\$ 463,181	\$ 4,575,910
Miscellaneous	4,565	5,977	10,542
Total operating revenues	<u>4,117,294</u>	<u>469,158</u>	<u>4,586,452</u>
<u>OPERATING EXPENSES</u>			
Gas - purchases	3,510,433	-	3,510,433
Depreciation	90,200	88,121	178,321
Other	414,807	486,575	901,382
Total operating expenses	<u>4,015,440</u>	<u>574,696</u>	<u>4,590,136</u>
Operating income (loss)	<u>101,854</u>	<u>(105,538)</u>	<u>(3,684)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Intergovernmental:			
State	-	164,866	164,866
Interest income	71	14	85
Interest expense	<u>(5,102)</u>	<u>(13,430)</u>	<u>(18,532)</u>
Total non-operating expenses	<u>(5,031)</u>	<u>151,450</u>	<u>146,419</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	40,327	295,610	335,937
Transfers out	<u>(81,000)</u>	<u>(79,717)</u>	<u>(160,717)</u>
Total other financing sources	<u>(40,673)</u>	<u>215,893</u>	<u>175,220</u>
Change in net position	<u>56,150</u>	<u>261,805</u>	<u>317,955</u>
<u>NET POSITION</u>			
Fund Balance at June 30, 2021	<u>1,307,078</u>	<u>871,884</u>	<u>2,178,962</u>
Fund Balance at June 30, 2022	<u>\$ 1,363,228</u>	<u>\$ 1,133,689</u>	<u>\$ 2,496,917</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Gas Utility Fund</u>	<u>Water Utility Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,050,403	\$ 440,887	\$ 1,491,290
Cash payments to suppliers for goods and services	(696,803)	(357,175)	(1,053,978)
Cash payments to employees for services	(220,393)	(225,345)	(445,738)
Net cash provided by (used in) operating activities	<u>133,207</u>	<u>(141,633)</u>	<u>(8,426)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers from (to) other funds	(40,673)	215,893	175,220
Due to (from) other funds	(2,238)	3,914	1,676
Net cash provided by (used for) noncapital financing activities	<u>(42,911)</u>	<u>219,807</u>	<u>176,896</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING:			
Principal payments on debt	(4,935)	-	(4,935)
Principal paid on revenue bond maturities	(13,739)	(37,175)	(50,914)
Interest paid on revenue bonds and other debt	(5,102)	(13,430)	(18,532)
Proceeds from capital grants	-	164,866	164,866
Acquisition of capital assets	-	(127,731)	(127,731)
Net cash used for capital and related financing	<u>(23,776)</u>	<u>(13,470)</u>	<u>(37,246)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments	71	14	85
Net cash provided by investing activities	<u>71</u>	<u>14</u>	<u>85</u>
NET INCREASE IN CASH	66,591	64,718	131,309
CASH AND CASH EQUIVALENTS AT JUNE 30, 2021	<u>299,864</u>	<u>135,794</u>	<u>435,658</u>
CASH AND CASH EQUIVALENTS AT JUNE 30, 2022	<u>\$ 366,455</u>	<u>\$ 200,512</u>	<u>\$ 566,967</u>

(continued)

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Gas Utility Fund	Water Utility Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ 101,854	\$ (105,538)	\$ (3,684)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	90,200	88,121	178,321
Change in assets and liabilities:			
Accounts receivable	(17,193)	(24,866)	(42,059)
Other receivables	(51,187)	1,177	(50,010)
Prepaid insurance	1,057	(281)	776
Deferred outflows of resources for pensions	13,705	21,735	35,440
Accounts payable	15,049	(73,510)	(58,461)
Accrued expenses	(379)	(13,078)	(13,457)
Accrued interest payable	(15)	(43)	(58)
Deferred inflows of resources for pensions	24,937	39,549	64,486
Meter deposits	2,708	1,402	4,110
Compensated absences	(1,492)	(3,289)	(4,781)
Pension	(46,037)	(73,012)	(119,049)
Total adjustments	31,353	(36,095)	(4,742)
Net cash provided by (used in) operating activities	\$ 133,207	\$ (141,633)	\$ (8,426)
Cash and cash equivalents for cash flow statement include:			
Cash and cash equivalents	\$ 289,409	\$ 164,982	\$ 454,391
Restricted cash and cash equivalents	77,046	35,530	112,576
TOTAL CASH AND CASH EQUIVALENTS	\$ 366,455	\$ 200,512	\$ 566,967

(concluded)

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. Summary of Significant Accounting Policies

The Town of St. Francisville (Town), Louisiana dates from 1785; the date the monastery was built in honor of St. Francis of Assisi.

The Town adopted the provisions of the Lawrason Act on January 23, 1956, and operates under a Mayor-Board of Aldermen form of government.

The Town's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. The entity-wide financial statements follow the guidance included in GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:517, and to the industry audit guide, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

Financial Reporting Entity

GASB Codification, Section 2100, *Defining the Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Town is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB 2100, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the Town does not have any component units, which are defined by GASB 2100 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

Basis of Presentation, Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the Town of St. Francisville. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between *the governmental and business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation, Basis of Accounting (continued)

reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category - *governmental and proprietary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Town reports the following major governmental funds:

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

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Sales Tax Fund – The Sales Tax Fund accounts for the receipt and use of proceeds of the Town's sales and use tax. These taxes are dedicated to operating expenditures of the sanitary sewer system. All remaining proceeds from the tax may be used by the Town for any lawful purposes.

Economic Development Fund – This fund accounts for the Town's expenditures to promote economic development and tourism.

Debt Service Fund – This fund is used to account for the accumulation of resources that are committed, restricted, or assigned to the payment of general long-term debt principal, interest, and related costs on long-term obligations of governmental funds. Budgetary comparison information is not presented in the supplemental information for the Debt Service Fund.

Capital Project Fund – The Capital Project Fund is used to account for financial resources received and used for the acquisition, construction, or improvements of capital facilities not reported in other governmental funds. Bond proceeds to construct, acquire, extend, improve, maintain, operate, and decommission sewerage facilities serving the Town and paying all the issuance costs of the bond are being accounted for in the Capital Project Fund. Budgetary comparison information is not presented in the supplemental information for the Capital Project Fund.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation, Basis of Accounting (continued)

The Town reports the following major enterprise funds:

Enterprise Funds - Enterprise Funds are used to account for operations, (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Gas Utility Fund – The Gas Utility Fund accounts for the activities of providing natural gas.

Water Utility Fund – The Water Utility Fund accounts for the activities of providing water.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes are recognized when the underlying sales transactions occur. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. Grant proceeds received before the eligibility requirements are met (i.e. expended on the restricted purpose) are recorded as unearned revenue, a liability caption on the Statement of Net Position.

Governmental Fund Financial Statements. Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, intergovernmental revenues, and interest are considered to be susceptible to accrual. Fines, licenses and permits are not susceptible to accrual because generally they are not measurable until received in cash. Grant proceeds received before the eligibility requirements are met (i.e. expended on the restricted purpose) are recorded as unearned revenue, a liability caption on the Governmental Funds Balance Sheet. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financing for asset purchases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

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

Pension Plans

The Town of St. Francisville is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 11. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plan's fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

Budgets and Budgetary Accounting

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

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.
3. The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General, Special Revenue, Capital Project, Debt Service, and Proprietary Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more. Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

The level of budgetary control is total appropriations. Budgeted amounts included in the financial statements include the original adopted budget and the final amended budget.

Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments, which include demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and investments in the Louisiana Asset Management Pool are stated at market value.

Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may deposit funds in obligations of the U.S. Treasury and U.S. agencies, demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasury and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Under state law, the Town may invest in United States bonds, treasury notes, or certificates of deposits. These are classified as cash equivalents if the original maturities are 90 days or less; however, if their original maturity exceeds 90 days, these are classified as investments. Investments are stated at cost and approximate fair value.

Restricted Assets

Certain customer meter deposits, debt service sinking funds, and ad valorem tax collections are legally restricted as to purpose. These assets have been classified as restricted assets on the Statement of Net Position since the use of these funds is limited by applicable deposit agreements, bond covenants, and tax millages. The Town also has restricted investments related to bond proceeds received but not yet expended which is invested in a money market fund.

Bad Debts

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectability of the particular receivable.

Operating Transfers In and Out; Due to and Due from Funds

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due to and due from accounts.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. Summary of Significant Accounting Policies (continued)

Compensated Absences

Employees earn vacation leave at various rates depending upon length of their employment. Amounts of vested or accumulated vacation leave of governmental funds are expected to be liquidated with expendable available resources of these funds and are recorded as an expense and liability on the government-wide financial statements at year end. Employees vacation time must be taken within 24 months following their anniversary date. Vested or accumulated sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. Employees earn sick leave at various rates depending on length of their employment. Employees can accrue up to 1,040 hours of sick leave but it is not payable to the employee at retirement or termination of employment. There is no accrual for sick leave.

Long Term Debt

In the government-wide Statement of Net Position and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as an expense in the year of debt issuance. Bonded debt premiums, discounts, and gains (losses) on refundings are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount. Gains (losses) on refundings are reported as deferred outflows/inflows of resources.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial reporting period. The face amount of the debt issue is reported as "other financing sources." Premiums received on debt issuances are reported as "other financing sources" and discounts on debt are reported as "other financing uses."

Excess revenue contracts, loans, and notes are obligations of the general government and payment of these debts are normally provided by transfers from the General Fund to a debt service fund. However, if a debt is intended to be repaid by an enterprise fund it is recorded as a proprietary long-term debt.

Ad valorem and sales tax revenue bonds are secured by ad valorem and sales tax revenues. For those issues not associated with enterprise fund operations, payment of the debt is provided by ad valorem and sales tax revenue recognized in the appropriate debt service fund. Ad valorem and sales tax revenue bond issues associated with enterprise funds are accounted for in the relevant enterprise fund.

Statement of Cash Flows

For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with original maturity of three months or less to be cash equivalents.

Encumbrances

Encumbrance accounting, under which contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. Summary of Significant Accounting Policies (continued)

Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Financial Statements: In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Board of Aldermen, which is the highest level of decision-making authority.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes by the Board of Aldermen.
- e. Unassigned – all other spendable amounts.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Town reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, or unassigned amounts are available, the Town reduces committed amounts first, followed by assigned amounts, and finally unassigned amounts, as needed, unless the Town has provided otherwise in its committed or assignment actions.

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. The Town carries commercial insurance for all risks of loss. The Town has no claims payable as of June 30, 2022. See Note 12 to the financial statements.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Town has elected not to report major general infrastructure assets retroactively. The Town began reporting infrastructure assets beginning September 1, 2005.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	7-40 years
Sewer Improvements	20-25 years
Equipment	5-20 years
Infrastructure	20-40 years

The proprietary fund type operations are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets.

Depreciation of all exhaustible capital assets used is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Gas Plant	33 years
Utility-type Improvements	20-30 years
Buildings	20 years
Office Equipment	5-10 years
Automotive Equipment	5 years

All capital assets are stated at historical cost less accumulated depreciation.

Accounts Receivable

Uncollectible amounts due from customers for utility services are recognized through the establishment of an allowance for uncollectible accounts at the time information becomes available which indicates the uncollectibility of the particular receivable.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources

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

Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of Treasury for Town issues at June 30, 2022.

Current Year Adoption of New Accounting Standards

The Town implemented GASB Statement No. 87, *Leases*: This standard requires all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The standard also requires the recognition of lease assets or liabilities for all leases including those previously reported as operating leases. All leases are reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The Town was not operating under significant leases subject to GASB No. 87 as of June 30, 2022.

The Town implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This standard improves financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also enhances the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental and business-type activities.

2. Cash and Investments

A. Deposits

Under State law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or the resulting bank balances). The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

2. **Cash and Investments** (continued)

A. **Deposits** (continued)

The following is a reconciliation of the carrying amounts of deposits to restricted and unrestricted cash and cash equivalents on the Statement of Net Position.

Cash and cash equivalents:		
Deposits	\$	1,539,183
Restricted Cash:		
Deposits		156,000
Total cash and cash equivalents	<u>\$</u>	<u>1,695,183</u>

Custodial Credit Risk

Custodial Credit Risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to them. The Town does not have a deposit policy for custodial credit risk. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. At June 30, 2022, the Town's bank balances totaled \$1,769,701. The Town was not exposed to custodial credit risk by being uninsured and uncollateralized.

B. **Investments**

At June 30, 2022, the Town had the following investments:

INVESTMENT MATURITIES (IN YEARS)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 year</u>
Investments measured at cost		
Money Market Account	\$ 5,219,088	\$ 5,219,088
Investments measured at the net asset value (NAV)		
Louisiana Asset Management Pool (LAMP)	1,802,840	1,802,840
Total investments	<u>\$ 7,021,928</u>	<u>\$ 7,021,928</u>

Included in the statement of net position at June 30, 2022 are the following:

Investments	\$ 1,802,840
Restricted investments	5,219,088
Total investments	<u>\$ 7,021,928</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

2. **Cash and Investments** (continued)

B. **Investments** (continued)

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

LAMP is a governmental investment pool that reports fair value. The following facts are relevant for an investment pools:

- **Credit risk:** LAMP is rated AAAM by Standard & Poor's.
- **Custodial credit risk:** LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- **Concentration of credit risk:** Pooled investments are excluded from the five percent disclosure requirement.
- **Interest rate risk:** LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating / variable rate investments. The WAM of LAMP's total investments is 56 days as of June 30, 2022.
- **Foreign currency risk:** Not applicable.

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

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

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc. 650 Poydras St., Suite 2220, New Orleans, LA 70130.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

2. **Cash and Investments** (continued)

B. **Investments** (continued)

The **Goldman Sachs Financial Square Gov't Fund (the fund)** is a money market fund. At June 30, 2022, investments of \$5,219,088 are in the fund. The following facts are relevant for the fund:

- **Credit Risk:** The fund is rated AAAM by Standard & Poor's.
- **Custodial Credit Risk:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment that are in the possession of an outside party. The \$5,219,088 of money market mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.
- **Concentration of Credit Risk:** The Town's investment policy does not limit the amount the Town may invest in any one issuer.
- **Interest Rate Risk:** This risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The Town's investment in the money market fund is not exposed to interest rate risk and the Town does not have a formal interest rate risk policy.
- **Foreign Currency Risk:** Not applicable

3. **Restricted Assets**

Under the terms of the bond indentures for the general obligation bonds, certain revenues are dedicated to the retirement of said bonds, and are to be set aside into special accounts after provisions have been made for the payment of the reasonable and necessary expenses of operating and maintaining the utility systems.

At June 30, 2022, the Town has \$112,576 of cash restricted for the refunding of customer meter deposits.

At June 30, 2022, the Town has \$5,219,088 of bond proceeds being held as investments. These investments are restricted to construct, acquire, extend, improve, maintain, operate, and upgrade sewerage facilities serving the Town

4. **Ad Valorem Taxes**

Ad valorem taxes attach as an enforceable lien on property as of February 28 of each year. Taxes are levied and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of West Feliciana Parish. For the year ended June 30, 2022, taxes of 5.66 mills were levied on property with assessed valuations totaling \$29,310,502 and were dedicated for general purposes.

Ad valorem taxes collected during the year ended June 30, 2022 totaled \$164,663.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

5. Due from Other Governmental Units

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

Governmental Activities:

	<u>Sales & Use</u>
West Feliciana Parish School Board	\$ 143,035
	<u>\$ 143,035</u>

Business-Type Activities:

	<u>Water</u>
Louisiana LGAP/CWEF	\$ 24,866
	<u>\$ 24,866</u>

6. Receivables

Receivables as of June 30, 2022 for the Town's governmental and business-type funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities:

	<u>General</u>	<u>Sales & Use</u>	<u>Capital Project</u>	<u>Total</u>
Accounts receivable:				
Charges for services	\$ -	\$ 24,896	\$ -	\$ 24,896
Less: allowance	-	(7,303)	-	(7,303)
Accounts receivable, net	<u>-</u>	<u>17,593</u>	<u>-</u>	<u>17,593</u>
Other receivables				
Franchise tax receivable	32,719	-	-	32,719
Subdivision utility reimbursement receivable	48,170	-	-	48,170
Accrued interest receivable	-	-	4,857	4,857
Total other receivables	<u>80,889</u>	<u>-</u>	<u>4,857</u>	<u>85,746</u>
Total receivables	<u>\$ 80,889</u>	<u>\$ 17,593</u>	<u>\$ 4,857</u>	<u>\$ 103,339</u>

Business-Type Activities:

	<u>Gas</u>	<u>Water</u>	<u>Total</u>
Accounts receivable:			
Due from customers	\$ 142,329	\$ 53,367	\$ 195,696
Less: allowance	(26,737)	(15,656)	(42,393)
Accounts receivable, net	<u>\$ 115,592</u>	<u>\$ 37,711</u>	<u>\$ 168,959</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

7. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2022 are as follows:

Governmental Activities:

	Balance 6/30/21	Additions	Deletions	Balance 6/30/22
Capital assets, not being depreciated				
Land	\$ 715,886	\$ -	\$ -	715,886
Construction in progress	262,400	446,804	(235,822)	473,382
Total capital assets, not being depreciated	<u>978,286</u>	<u>446,804</u>	<u>(235,822)</u>	<u>1,189,268</u>
Capital assets, being depreciated				
Improvements other than buildings	4,023,995	31,188	-	4,055,183
Buildings	880,666	92,840	-	973,506
Equipment	2,947,257	92,827	(7,071)	3,033,013
Infrastructure	632,212	235,822	-	868,034
	<u>8,484,130</u>	<u>452,677</u>	<u>(7,071)</u>	<u>8,929,736</u>
Less: Accumulated Depreciation	(5,711,844)	(359,129)	7,071	(6,063,902)
Total capital assets, being depreciated	<u>2,772,286</u>	<u>93,548</u>	<u>-</u>	<u>2,865,834</u>
Capital assets, net of depreciation	<u>\$ 3,750,572</u>	<u>\$ 540,352</u>	<u>\$ (235,822)</u>	<u>\$ 4,055,102</u>

Depreciation expense for the year ended June 30, 2022 totaled \$ 359,129 which are charged to the following functions:

General Government	\$ 16,062
Public Safety - Police	30,523
Public Safety - Fire	44,178
Streets	129,884
Sewer Operations	99,186
Economic Development	39,296
	<u>\$ 359,129</u>

Business-Type Activities:

	Balance 6/30/21	Additions	Deletions	Balance 6/30/22
Capital assets, not being depreciated				
Land	\$ 6,523	\$ -	\$ -	\$ 6,523
Construction in progress	189,351	107,936	(297,287)	-
Total capital assets, not being depreciated	<u>195,874</u>	<u>107,936</u>	<u>(297,287)</u>	<u>6,523</u>
Capital assets, being depreciated				
Improvements other than buildings	980,759	297,287	-	1,278,046
Buildings	497,005	-	-	497,005
Equipment	4,850,166	19,795	-	4,869,961
	<u>6,327,930</u>	<u>317,082</u>	<u>-</u>	<u>6,645,012</u>
Less: Accumulated Depreciation	(3,798,544)	(178,321)	-	(3,976,865)
Total capital assets, being depreciated	<u>2,529,386</u>	<u>138,761</u>	<u>-</u>	<u>2,668,147</u>
Capital assets, net of depreciation	<u>\$ 2,725,260</u>	<u>\$ 246,697</u>	<u>\$ (297,287)</u>	<u>\$ 2,674,670</u>

Depreciation expense for the year ended June 30, 2022 totaled \$178,321, of which \$90,200 and \$88,121 was allocated to gas services and water services, respectively.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

7. **Capital Assets** (continued)

Construction Commitment

The Town has no remaining commitments as of June 30, 2022.

8. **Long-Term Liabilities**

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

	<u>Balance</u> <u>6/30/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/22</u>	<u>Due</u> <u>within</u> <u>one year</u>
<u>Governmental Activities</u>					
Direct borrowing and placement of debt:					
Revenue bond, series 2022	\$ -	\$ 5,250,000	\$ -	\$ 5,250,000	\$ 315,000
Asset purchase financing	3,323	-	3,323	-	-
Other long-term liabilities:					
Compensated absences	48,959	31,630	40,544	40,045	40,045
	<u>\$ 52,282</u>	<u>\$ 5,250,000</u>	<u>\$ 12,237</u>	<u>\$ 5,290,045</u>	<u>\$ 355,045</u>
<u>Business-Type Activities</u>					
Direct borrowing and placement of debt:					
Utility revenue bond, series 2015	\$ 585,509	\$ -	\$ 50,914	\$ 534,593	\$ 50,895
Asset purchase financing	4,935	-	4,935	-	-
Other long-term liabilities:					
Compensated absences	13,243	12,400	17,181	8,462	8,462
	<u>\$ 603,687</u>	<u>\$ -</u>	<u>\$ 60,630</u>	<u>\$ 543,055</u>	<u>\$ 59,357</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

8. Long-Term Liabilities (continued)

Direct borrowings, placements and other debt at June 30, 2022 are comprised of the following individual issues:

Governmental Activities:

Direct borrowing and placement:

\$5,250,000 Sales Tax revenue bonds, Series 2022 – principal is due in 14 annual payments through May 2036, including interest which is payable every May 1 and November 1 at 3.25%. Payable and secured by ½% sales tax as described in Note 9. \$ 5,250,000

Business-Type Activities:

Direct borrowing and placement:

\$800,000 Utilities revenue bonds, Series 2015 - due in 15 annual payments through December 2030, including interest at 3.25%. Payable solely from a dedication and pledge of the income and revenues of the Town’s water and gas systems after reasonable and necessary expenses. \$ 534,593

Debt service requirements on long-term debt as of June 30, 2022 is as follows:

Year Ending June 30,	Governmental Activities	
	Bonds from Direct Borrowings and Placements	
	Principal	Interest
2023	\$ 315,000	\$ 159,250
2024	310,000	160,388
2025	320,000	150,313
2026	330,000	139,913
2027	345,000	129,188
2028-2032	1,885,000	471,088
2033-2037	1,745,000	143,973
	\$ 5,250,000	\$ 1,354,113

Events of default for the Direct Borrowings and Placements are outlined in the respective obligating transcripts and include principal and interest payment delinquencies, bankruptcy, or covenant violations.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

8. Long-Term Liabilities (continued)

	Business-Type Activities	
Year Ending June 30,	Bonds from Direct Borrowings and Placements	
	Principal	Interest
2023	\$ 50,895	\$ 17,368
2024	55,984	15,713
2025	55,982	13,894
2026	55,982	12,075
2027	61,074	8,806
2028-2030	254,677	22,456
	\$ 534,593	\$ 90,312

9. Dedicated Revenues and Restrictions

0.5% Sales Tax

Under ordinance 2021-01 which was adopted on January 26, 2021, one-half of one percent (1/2%) sales and use tax upon the sale at retail, the use, the lease or rental, the consumption and the storage for use or consumption, of tangible personal property and on sales of services in the Town of St. Francisville, State of Louisiana will be levied for a period of fifteen (15) years, beginning April 1, 2021.

As set forth in ordinance 2021-01, the net proceeds of the Tax are to be dedicated for the following public purposes: (i) construction, acquiring, extending, improving, maintaining, operating, and upgrading sewerage facilities (including but not being limited to sewerage treatment facilities) serving the Town, and acquiring immovable property, servitudes, and equipment related thereto; and shall the Town be further authorized to fund the proceeds of the Tax into bonds for any of said capital improvements, as permitted by the laws of Louisiana.

The Town of St. Francisville has complied with the above provisions.

10. Pension and Retirement Plans

The Town of St. Francisville (the Town) is a participating employer in two cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the Municipal Employees' Retirement System of Louisiana (MERS) and the Municipal Police Employees' Retirement System (MPERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

10. Pension and Retirement Plans (continued)

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

MERS:
7937 Office Park Boulevard
Baton Rouge, Louisiana 70809
(225) 925-4810
www.mersla.com

MPERS:
7722 Office Park Boulevard, Suite 200
Baton Rouge, LA 70809
(225) 929-7411
www.lampers.org

The Town applies 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. These standards require the Town to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

Plan Descriptions:

Municipal Employees' Retirement System of Louisiana (MERS)

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement, disability, and survivor benefits to eligible state employees as defined in LRS 11:1732. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:1801.

Municipal Police Employees' Retirement System (MPERS)

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The plan 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 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 189 of 1973 and amended by LRS 11:2211 – 11:2233.

Funding Policy

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

10. Pension and Retirement Plans (continued)

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2022, for the Town and covered employees were as follows:

	<u>Town</u>	<u>Employees</u>
Municipal Employees' Retirement System Plan B		
Members hired prior to 01/01/2013	15.50%	5.00%
Members hired after 01/01/2013	15.50%	5.00%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all hazardous Duty employees hired after 1/01/2013	29.75%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	29.75%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	32.25%	7.50%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>YE</u> <u>6/30/2022</u>	<u>YE</u> <u>6/30/2021</u>	<u>YE</u> <u>6/30/2020</u>
Municipal Employees' Retirement System Plan B	\$ 117,202	\$ 112,023	\$ 99,206
Municipal Police Employees' Retirement System	\$ 40,204	\$ 50,407	\$ 37,590

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

The following schedule lists the Town's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2021 measurement date. The Town uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2022 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2021 along with the change compared to the June 30, 2020 rate. The Town's proportion of the Net Pension Liability was based on the Town's contribution effort to the pension plan relative to the contribution effort of all participating employers.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

10. Pension and Retirement Plans (continued)

<u>Governmental Activities:</u>	<u>Net Pension Liability at June 30, 2021</u>	<u>Rate at June 30, 2021</u>	<u>Increase on June 30, 2020 Rate</u>
Municipal Employees' Retirement System Plan B	\$ 278,536	0.9367%	0.0223%
Municipal Police Employees' Retirement System	267,386	0.0502%	0.0127%
	<u>\$ 545,922</u>		
<u>Business-Type Activities:</u>	<u>Net Pension Liability at June 30, 2021</u>	<u>Rate at June 30, 2021</u>	<u>Increase on June 30, 2020 Rate</u>
Municipal Employees' Retirement System Plan B	<u>\$ 264,114</u>	0.9367%	0.0223%

The following schedule lists each pension plan's recognized pension expense of the Town for the year ended June 30, 2022.

<u>Governmental Activities:</u>	<u>Pension Expense</u>
Municipal Employees' Retirement System-Plan B	\$ 48,836
Municipal Police Employees' Retirement System	25,714
	<u>\$ 74,550</u>
<u>Business-Type Activities:</u>	<u>Pension Expense</u>
Municipal Employees' Retirement System Plan B	<u>\$ 46,307</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

10. Pension and Retirement Plans (continued)

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

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

<u>Governmental Activities:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (19,730)
Changes of assumptions	40,885	(7,627)
Net difference between projected and actual earnings on pension plan investments	-	(210,891)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	92,158	(21,989)
Employer contributions subsequent to the measurement date	100,364	-
Total	<u>\$ 233,407</u>	<u>\$ (260,237)</u>

<u>Business-Type Activities:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (10,899)
Changes of assumptions	10,688	-
Net difference between projected and actual earnings on pension plan investments	-	(60,602)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	11,007	(278)
Employer contributions subsequent to the measurement date	57,042	-
Total	<u>\$ 78,737</u>	<u>\$ (71,779)</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

<u>Governmental Activities:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System Plan B	\$ 74,657	\$ (97,832)
Municipal Police Employees' Retirement System	158,750	(162,405)
	<u>\$ 233,407</u>	<u>\$ (260,237)</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

10. Pension and Retirement Plans (continued)

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

Business-Type Activities:	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement System Plan B	\$ 78,737	\$ (71,779)

Support of Non-Employer Contributing Entities

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. The Town recognized revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities.

The Town recognized revenue as a result of support received from non-employer contributing entities of:

Municipal Employees' Retirement System Plan B	\$	23,411
Municipal Police Employees' Retirement System		11,210
	\$	34,621

The Town reported a total of \$157,406 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2021 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2023. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

		Subsequent Contributions
Municipal Employees' Retirement System Plan B	\$	117,202
Municipal Police Employees' Retirement System		40,204
	\$	157,406

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

10. Pension and Retirement Plans (continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	MERS	MPERS	Total
2022	\$ (17,997)	\$ (10,368)	\$ (28,365)
2023	(25,856)	6,625	(19,231)
2024	(38,034)	2,898	(35,136)
2025	(51,532)	(43,014)	(94,546)
	<u>\$ (133,419)</u>	<u>\$ (43,859)</u>	<u>\$ (177,278)</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2021 are as follows:

	<u>MERS</u>	<u>MPERS</u>
Valuation Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost
Actuarial Assumptions:		
Expected Remaining Service Lives	3 years	4 years
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation	6.75% net of investment expenses
Inflation Rate	2.50%	2.50%
Mortality	For annuitant and beneficiary mortality tables used were PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. For employees, the PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. For disabled annuitants, PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safely Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using MP2019 scale was used. For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used. For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

10. Pension and Retirement Plans (continued)

Actuarial Assumptions (continued)

	<u>MERS</u>	<u>MPERS</u>	
Salary Increases	1-4 years of service -- 7.40% more than 4 years of service -- 4.90%	<u>Years of Service</u>	<u>Salary Growth Rate</u>
		1-2	12.30%
		Above 2	4.70%
Cost of Living Adjustments	The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	

The following schedule list the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

<u>MERS</u>	<u>MPERS</u>
The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.60% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rates of return is 6.95% for the year ended June 30, 2021.	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 of 2.22 % and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long term rate of return is 7.30% for the year ended June 30, 2021.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

10. Pension and Retirement Plans (continued)

Actuarial Assumptions (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2021:

Asset class	Target Allocation		Long-Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public equity	53.0%	-	2.31%	-
Equity	-	55.5%	-	3.47%
Public fixed income	38.0%	-	1.65%	-
Fixed Income	-	30.5%	-	0.59%
Alternatives	9.0%	14.0%	0.39%	1.02%
Other	-	-	-	-
Total	<u>100.0%</u>	<u>100.0%</u>	<u>4.35%</u>	<u>5.08%</u>
Inflation			<u>2.60%</u>	<u>2.22%</u>
Expected arithmetic nominal return			<u>6.95%</u>	<u>7.30%</u>

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and MPERS was 6.850% and 6.750%, respectively for the year ended June 30, 2021.

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

The following table presents the Town's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the Town's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Rates	5.85%	6.85%	7.85%
Town of St. Francisville's Share of NPL	\$ 832,538	\$ 542,650	\$ 297,459
MPERS			
Rates	5.75%	6.75%	7.75%
Town of St. Francisville's Share of NPL	\$ 466,011	\$ 267,386	\$ 101,601

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

10. Pension and Retirement Plans (continued)

Payables to the Pension Plan

The Town recorded accrued liabilities to each of the Retirement Systems for the year ended June 30, 2021 mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables. At June 30, 2022, \$3,642 was owed to the municipal police employees' retirement system.

11. Contingencies

The Town is subject to various risks of loss related to theft of, damage to, and destruction of assets; error and omissions; injuries to employees; natural disasters; cyber liabilities; and worker's compensation claims. The Town has purchased commercial liability insurance to cover risks of loss related to torts or negligence by employees and board members. Commercial insurance has also been obtained to cover risk of damages to or theft of computer equipment, boilers and other machinery, employee's benefits liability, and general liability claims. Claims have not exceeded insurance coverage in any of the past three years. There are no estimated claims payable as of June 30, 2022.

12. Interfund Receivables, Payables and Transfers

Interfund receivables and payables are the result of transfers between funds or collections made on behalf of one fund for another which are expected to be paid within one year. The Interfund receivables and payables as of June 30, 2022 are as follows:

	Due from/(to) Other Funds
<u>Governmental Activities:</u>	
General Fund	\$ (4,164)
Sales & Use Tax Fund	954
Total Governmental Activities	\$ (3,210)
 <u>Business-Type Activities:</u>	
Gas Fund	\$ 30,216
Water Fund	(27,006)
Total Business-Type Activities	\$ 3,210

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

12. Interfund Receivables, Payables and Transfers (continued)

Interfund transfers are made on a regular basis to supplement other funds' sources and to provide internal financing for capital outlay. The interfund operating transfers as for the year ended June 30, 2022 are as follows:

<u>Interfund Transfers:</u>	<u>Transfers Out</u>	<u>Transfers In</u>
Governmental Activities:		
General Fund	\$ -	\$ 334,299
Sales and Use Tax Fund	692,943	50,000
Economic Development Fund	-	90,000
Capital Projects Fund	43,424	43,424
Debt Service Fund	-	43,424
Total governmental funds	<u>736,367</u>	<u>561,147</u>
Proprietary Fund/Enterprise Fund:		
Gas Utility Fund	81,000	40,327
Water Utility Fund	79,717	295,610
Total proprietary fund/enterprise fund	<u>160,717</u>	<u>335,937</u>
Total interfund transfers	<u>\$ 897,084</u>	<u>\$ 897,084</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

13. Commitments

The Town has entered into a gas supply contract with Clarke-Mobile Counties Gas District (CMC Gas) in an effort to secure long-term economical gas supplies. Gas received under these contracts is pursuant to Prepaid Natural Gas Purchase and Sale Agreements. The contracts commit the Town to maintain capacity to take specified daily volumes of gas. In addition, the Town has entered into a sale and purchase commitments for specified quantities of gas, whereby gas is purchased from CMC Gas and simultaneously selling the gas to a specified downstream customer.

In connection with these commitments, the Town has contracted to purchase the following volumes of gas through August 31, 2052 at a discount to spot market pricing on a pay as you go basis:

<u>Year Ending June 30,</u>	<u>Gas Volumes (in MMBtu)</u>
2023	1,642,500
2024	1,642,500
2025	1,642,500
2026	1,642,500
2027	1,642,500
Thereafter	41,337,000
Total	<u>49,549,500</u>

The Town received one-half of its allocated portion of the federal Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) enacted under the American Rescue Plan Act totaling \$601,010. In September 2022, the Town received its remaining allocation totaling approximately \$305,000. Since the Town did not incur eligible expenditures on the CSLFRF allocation during fiscal year 2022, the amount received is recorded as unearned revenue in the General Fund. The Town expects to spend these funds during 2023 and subsequent years on eligible expenditures. These funds are subject to repayment to the United States Treasury if not spent on eligible activities or programs.

14. Subsequent Events

The Town is currently in the planning and design phase of a sewer rehabilitation project. Subsequent to year end, the project has an estimated cost of \$5,700,000. The current cost incurred and included in CIP at June 30, 2022 is \$461,421. A one-half of one percent (1/2%) sales and use tax for a period of fifteen (15) years was levied, beginning April 1, 2021 for the purpose of repaying the \$5.25 million bond issued May 25, 2022. This bond will be used for constructing, acquiring, extending, improving, maintaining, operating, and decommissioning sewerage facilities.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Ad valorem taxes	\$ 160,000	\$ 159,048	\$ 164,663	\$ 5,615
Grants	6,500	345,805	385,805	40,000
Occupational licenses and permits	90,200	116,197	117,325	1,128
Intergovernmental	12,970	13,008	31,931	18,923
State supplemental pay	30,000	28,350	28,250	(100)
Other charges	228,200	255,785	254,469	(1,316)
Fines and forfeitures	200,000	165,914	165,540	(374)
Interest	1,700	2,105	4,100	1,995
Miscellaneous	128,700	220,440	135,137	(85,303)
Total revenues	<u>858,270</u>	<u>1,306,652</u>	<u>1,287,220</u>	<u>(19,432)</u>
<u>EXPENDITURES</u>				
General government	198,550	241,410	235,168	6,242
Public safety	804,612	707,301	685,166	22,135
Streets	206,466	226,776	223,792	2,984
Capital outlay	90,000	363,393	360,471	2,922
Debt service	-	-	3,202	(3,202)
Total expenditures	<u>1,299,628</u>	<u>1,538,880</u>	<u>1,507,799</u>	<u>31,081</u>
Excess of revenues under expenditures	<u>(441,358)</u>	<u>(232,228)</u>	<u>(220,579)</u>	<u>11,649</u>
<u>OTHER FINANCING SOURCES</u>				
Operating transfers in	330,000	334,299	334,299	-
Total other financing sources	<u>330,000</u>	<u>334,299</u>	<u>334,299</u>	<u>-</u>
Net Change in Fund Balance	(111,358)	102,071	113,720	11,649
<u>FUND BALANCE</u>				
Fund Balance at June 30, 2021	<u>1,823,588</u>	<u>1,899,030</u>	<u>1,899,030</u>	<u>-</u>
Fund Balance at June 30, 2022	<u>\$ 1,712,230</u>	<u>\$ 2,001,101</u>	<u>\$ 2,012,750</u>	<u>\$ 11,649</u>

Notes to Schedule:

The General Fund budget is prepared on a budgetary basis which does not recognize the affects of unearned revenue related to American Rescue Plan Act (ARPA) funding received but not spent in the current year. A reconciliation of the budgetary basis revenue and fund balance is presented below:

	<u>Revenue - Grants</u>	<u>Fund Balance at June 30, 2022</u>
GAAP Basis	\$ 85,300	\$ 1,712,245
Add back: ARPA funds not spent in current year	300,505	300,505
Budgetary basis	<u>\$ 385,805</u>	<u>\$ 2,012,750</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SALES AND USE TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Sales tax revenues	\$ 1,500,000	\$ 1,776,759	\$ 1,803,281	\$ 26,522
Charges for services	200,000	200,538	206,255	5,717
Interest	250	178	262	84
Total revenues	<u>1,700,250</u>	<u>1,977,475</u>	<u>2,009,798</u>	<u>32,323</u>
<u>EXPENDITURES</u>				
General government	521,054	559,865	549,864	10,001
Sanitation	299,892	251,077	252,876	(1,799)
Capital outlay	894,987	262,597	148,768	113,829
Total expenditures	<u>1,715,934</u>	<u>1,073,539</u>	<u>951,508</u>	<u>122,031</u>
Excess of revenues over (under) expenditures	<u>(15,684)</u>	<u>903,937</u>	<u>1,058,290</u>	<u>154,353</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	52,000	50,000	50,000	-
Operating transfers out	<u>(400,000)</u>	<u>(692,943)</u>	<u>(692,943)</u>	<u>-</u>
Total other financing uses	<u>(348,000)</u>	<u>(642,943)</u>	<u>(642,943)</u>	<u>-</u>
Net Change in Fund Balance	(363,684)	260,994	415,347	154,353
<u>FUND BALANCE</u>				
Fund Balance at June 30, 2021	<u>478,911</u>	<u>486,540</u>	<u>486,540</u>	<u>-</u>
Fund Balance at June 30, 2022	<u>\$ 115,227</u>	<u>\$ 747,534</u>	<u>\$ 901,887</u>	<u>\$ 154,353</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Hotel/Motel tax revenues	\$ 170,000	\$ 178,424	\$ 178,424	\$ -
Interest	275	246	436	190
Other	1,000	24,950	24,950	-
Total revenues	<u>171,275</u>	<u>203,620</u>	<u>203,810</u>	<u>190</u>
<u>EXPENDITURES</u>				
Culture, recreation, and economic development	249,767	273,289	311,189	(37,900)
Capital outlay	118,039	105,364	67,285	38,079
Total expenditures	<u>367,806</u>	<u>378,653</u>	<u>378,474</u>	<u>179</u>
Excess of revenues under expenditures	<u>(196,531)</u>	<u>(175,033)</u>	<u>(174,664)</u>	<u>369</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	-	90,000	90,000	-
Total other financing sources	<u>-</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Net Change in Fund Balance	(196,531)	(85,033)	(84,664)	369
<u>FUND BALANCE</u>				
Fund Balance at June 30, 2021	<u>259,073</u>	<u>264,622</u>	<u>264,622</u>	<u>-</u>
Fund Balance at June 30, 2022	<u>\$ 62,542</u>	<u>\$ 179,589</u>	<u>\$ 179,958</u>	<u>\$ 369</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SCHEDULE OF THE TOWN OF ST. FRANCISVILLE'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022 (*)

	Employer's Proportion of the Net Pension Liability (Assets)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered- Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System (Plan B)					
2021	0.9367%	\$ 542,650	\$ 722,729	75.0835%	77.8169%
2020	0.9144%	828,631	708,611	116.9374%	66.2607%
2019	0.9050%	791,749	691,880	114.4344%	66.1388%
2018	0.8795%	743,870	652,550	113.9943%	65.5981%
2017	0.8543%	739,136	634,082	116.5679%	63.4909%
2016	0.8379%	694,566	613,631	113.1896%	63.3376%
2015	0.9056%	615,493	616,371	99.8575%	68.7136%
Municipal Police Employees' Retirement System					
2021	0.0502%	\$ 267,386	\$ 149,353	179.0295%	84.0881%
2020	0.0375%	346,088	115,663	299.2210%	70.9450%
2019	0.0355%	322,844	111,018	290.8033%	71.0078%
2018	0.0460%	389,284	135,890	286.4699%	71.8871%
2017	0.0456%	398,404	129,015	308.8044%	70.0815%
2016	0.0186%	174,342	52,104	334.6039%	66.0422%
2015	0.0229%	179,484	61,128	293.6199%	70.7303%

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

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

See the accompanying notes to the Required Supplementary Information.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SCHEDULE OF THE TOWN OF ST. FRANCISVILLE'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2022

	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Covered Payroll ³	Contribution as a % of Covered Employee Payroll
Municipal Employees' Retirement System (Plan B)					
2022	\$ 117,202	\$ 117,202	\$ -	\$ 756,140	15.5000%
2021	112,023	112,023	-	722,729	15.5000%
2020	99,206	99,206	-	708,611	14.0001%
2019	96,863	96,863	-	691,880	14.0000%
2018	86,463	86,463	-	652,550	13.2500%
2017	69,749	69,749	-	634,082	11.0000%
2016**	68,763	68,763	-	613,631	11.2059%
2015**	58,555	58,555	-	616,371	9.4950%
Municipal Police Employees' Retirement System					
2022	\$ 40,204	\$ 40,204	\$ -	\$ 135,141	29.7497%
2021	50,407	50,407	-	149,353	33.7502%
2020	37,590	37,590	-	115,663	32.4996%
2019	35,803	35,803	-	111,018	32.2497%
2018	41,786	41,786	-	135,890	30.7499%
2017	40,962	40,962	-	129,015	31.7498%
2016**	18,050	18,050	-	52,104	34.6423%
2015**	21,627	21,627	-	61,128	35.3799%

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

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to Retirement Systems*

³ *Employer's covered employee payroll amount for the fiscal year ended June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June, 30, 2018, June 30, 2017, August 31, 2016 and August 31, 2015*

*** 12 months ending 8/31*

See the accompanying notes to the Required Supplementary Information.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

Changes of Benefit Terms include:

Municipal Employee's Retirement System (Plan B)

There was no changes of benefit terms for years ended June 30, 2022.

Municipal Police Employee's Retirement System

There was no changes of benefit terms for the years ended June 30, 2022.

Changes of Assumptions:

Municipal Employee's Retirement System (Plan B)

The following changes in actuarial assumptions for each year are as follows:

<i>Discount Rate:</i>				<i>Merit:</i>			
Year End	Measurement date	Rate	Change	Year End	Measurement date	Rate	Change
6/30/2022	6/30/2021	6.850%	-0.100%	6/30/2022	6/30/2021	2.125%	0.000%
6/30/2021	6/30/2020	6.950%	-0.050%	6/30/2021	6/30/2020	2.125%	0.000%
6/30/2020	6/30/2019	7.000%	-0.275%	6/30/2020	6/30/2019	2.125%	0.000%
6/30/2019	6/30/2018	7.275%	-0.525%	6/30/2019	6/30/2018	2.125%	0.000%
6/30/2018	6/30/2017	7.800%	0.300%	6/30/2018	6/30/2017	2.125%	0.000%
6/30/2017	6/30/2016	7.500%	0.000%	6/30/2017	6/30/2016	2.125%	0.000%
8/31/2016	6/30/2016	7.500%	-0.250%	8/31/2016	6/30/2016	2.125%	-0.625%
8/31/2015	6/30/2014	7.750%		8/31/2015	6/30/2014	2.750%	

<i>Inflation Rate:</i>				<i>Investment rate of return:</i>			
Year End	Measurement date	Rate	Change	Year End	Measurement date	Rate	Change
6/30/2022	6/30/2021	2.500%	0.000%	6/30/2022	6/30/2021	6.850%	-0.100%
6/30/2021	6/30/2020	2.500%	0.000%	6/30/2021	6/30/2020	6.950%	-0.050%
6/30/2020	6/30/2019	2.500%	-0.100%	6/30/2020	6/30/2019	7.000%	-0.275%
6/30/2019	6/30/2018	2.600%	-0.175%	6/30/2019	6/30/2018	7.275%	-0.125%
6/30/2018	6/30/2017	2.775%	-0.100%	6/30/2018	6/30/2017	7.400%	-0.100%
6/30/2017	6/30/2016	2.875%	0.000%	6/30/2017	6/30/2016	7.500%	0.000%
8/31/2016	6/30/2016	2.875%	-0.125%	8/31/2016	6/30/2016	7.500%	-0.250%
8/31/2015	6/30/2014	3.000%		8/31/2015	6/30/2014	7.750%	

<i>Salary Increases:</i>			
Year End	Measurement date	Rate	Change
6/30/2022	6/30/2021	4.90% - 7.40%	0.000% *
6/30/2021	6/30/2020	4.90% - 7.40%	0.000% *
6/30/2020	6/30/2019	4.90% - 7.40%	4.90% - 7.40% *
6/30/2019	6/30/2018	5.000%	0.000%
6/30/2018	6/30/2017	5.000%	0.000%
6/30/2017	6/30/2016	5.000%	0.000%
8/31/2016	6/30/2016	5.000%	-0.750%
8/31/2015	6/30/2014	5.750%	

Municipal Police Employee's Retirement System

The following changes in actuarial assumptions for each year are as follows:

<i>Discount Rate:</i>				<i>Merit:</i>			
Year End	Measurement date	Rate	Change	No changes for the year presented.			
6/30/2022	6/30/2021	6.750%	-0.200%				
6/30/2021	6/30/2020	6.950%	-0.175%				
6/30/2020	6/30/2019	7.125%	-0.075%				
6/30/2019	6/30/2018	7.200%	-0.125%				
6/30/2018	6/30/2017	7.325%	-0.175%				
6/30/2017	6/30/2016	7.500%					

<i>Inflation Rate:</i>				<i>Investment rate of return:</i>			
Year End	Measurement date	Rate	Change	Year End	Measurement date	Rate	Change
6/30/2022	6/30/2021	2.500%	0.000%	6/30/2022	6/30/2021	6.750%	-0.200%
6/30/2021	6/30/2020	2.500%	0.000%	6/30/2021	6/30/2020	6.950%	-0.175%
6/30/2020	6/30/2019	2.500%	-0.100%	6/30/2020	6/30/2019	7.125%	-0.075%
6/30/2019	6/30/2018	2.600%	-0.100%	6/30/2019	6/30/2018	7.200%	-0.125%
6/30/2018	6/30/2017	2.700%	-0.175%	6/30/2018	6/30/2017	7.325%	-0.175%
6/30/2017	6/30/2016	2.875%	0.000%	6/30/2017	6/30/2016	7.500%	
8/31/2016	6/30/2016	2.875%	-0.125%				
8/31/2015	6/30/2014	3.000%					

<i>Salary Increases:</i>			
Year End	Measurement date	Rate	Change
6/30/2022	6/30/2021	4.70% - 12.30%	0.000% ****
6/30/2021	6/30/2020	4.70% - 12.30%	0.45% - 2.55% ****
6/30/2020	6/30/2019	4.25% - 9.75%	0.000% ***
6/30/2019	6/30/2018	4.25% - 9.75%	0.000% ***
6/30/2018	6/30/2017	4.25% - 9.75%	0.000% ***
6/30/2017	6/30/2016	4.25% - 9.75%	0.000% ***
8/31/2016	6/30/2016	4.25% - 9.75%	+/- 0.25% ***
8/31/2015	6/30/2014	4.00% - 10.00%	**

* Salary increase of 7.40% for 1 to 4 years of service and 4.90% for more than 4 years of service.

** Salary increase of 10.00% for 1 year of service, 6.00% for 2 years of service, 4.30% for 3-19 years of service, 5.50% for 20-29 years of service, and 4.00% for 30 or more years of service.

*** Salary increase of 9.75% for 1-2 years of service, 4.75% for 3-23 years of service, and 4.25% for 23 or more years of service.

**** Salary increase of 12.30% for 1-2 years of service and 4.70% for 2 or more years of service.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
FOR THE YEAR ENDED JUNE 30, 2022

Mayor:

Robert P. Leake \$ 24,000

Aldermen:

Abby Temple Cochran 6,000

James R. Leake, Jr. 6,000

Gigi Robertson 6,000

Andrew D'Aquila 6,000

Al Lemoine 6,000

\$ 54,000

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2022

Agency Head Name/Title: Mayor Robert P. Leake

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 24,000
Benefits - insurance	5,212
Benefits - retirement	3,720
Per diem	150
Reimbursements	46
Travel	37
Registration fees	385
Conference travel	753
Special meals	104
	<hr/> \$ 34,407 <hr/>

TOWN OF ST. FRANCISVILLE
ST. FRANCISVILLE, LA
JUSTICE SYSTEM FUNDING SCHEDULE-COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED JUNE 30, 2022

	First Six Month Period Ended 12/31/21	Second Six Month Period Ended 6/30/22
Beginning Balance of Amounts Collected	\$ -	\$ -
Add Collections:		
<i>Criminal Court Costs/Fees</i>	12,270	13,410
<i>Criminal Fines - Other</i>	66,665	71,987
<i>Service/Collection Fees</i>	11,543	9,904
<i>Accident Reports</i>	350	450
Subtotal Collections	90,828	95,751
Less Disbursements To Governments and Nonprofits:		
<i>Feliciana Juvenile Justice District, Criminal Fines - Other</i>	2,025	2,313
<i>Louisiana Judicial College, Criminal Fines - Other</i>	203	228
<i>Louisiana Association of Chiefs of Police, Criminal Fines - Other</i>	810	930
<i>Crime Victims Reparation Fund, Criminal Fines - Other</i>	113	120
<i>LA Traumatic Head and Spinal Cord Injury, Criminal Fines - Other</i>	1,665	1,865
<i>CMIS, Criminal Fines - Other</i>	405	465
<i>Post Law Enforcement Training & Assistance Fund, Criminal Fines - Other</i>	794	892
Less Amounts Retained by Collecting Agency:		
Amounts Self-Disbursed to Collecting Agency:		
<i>Court Costs/Fees</i>	12,270	13,410
<i>Criminal Fines</i>	60,634	65,156
<i>Credit Card Fee / CC Payments at Window</i>	108	135
<i>Admin Fee for LA Commission on Law Enforcement / Post Admin Fee Retained</i>	16	18
<i>Accident Reports</i>	350	450
Less Amounts Retained by Collecting Agency:		
<i>Payments to 3rd Party Collection/Processing Agencies</i>	11,435	9,769
Subtotal Disbursements/Retainage	90,828	95,751
Ending Balance of Amounts Collected but Not Disbursed	\$ -	\$ -

TOWN OF ST. FRANCISVILLE
ST. FRANCISVILLE, LA
JUSTICE SYSTEM FUNDING SCHEDULE-RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED JUNE 30, 2022

	First Six Month Period Ended 12/31/21	Second Six Month Period Ended 6/30/22
<u>Receipts from:</u>		
<i>LA Department of Public Safety and Corrections / Reinst Court Fees</i>	\$ 463	\$ 138
Total	\$ 463	\$ 138

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Honorable Mayor and Members
of the Board of Aldermen
Town of St. Francisville, Louisiana

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

Report on Internal Control over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Donaldsonville, LA
November 30, 2022

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

MATERIAL WEAKNESS

None

SIGNIFICANT DEFICIENCIES

None

COMPLIANCE WITH STATE LAWS AND REGULATIONS

None

PERFORMANCE AND STATISTICAL DATA

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SCHEDULE OF INSURANCE-IN-FORCE (UNAUDITED)
June 30, 2022

Coverage	Insurance Company	Expiration Date	Liability Limits
Commercial property	Markel American Insurance Company	3/7/2023	\$3,972,279 Building & Business Personal Property
Inland marine - equipment floater	Markel American Insurance Company	3/7/2023	\$451,172 Contractors Equipment \$100,000 Leased or rented items \$100,000 Newly Purchased Equipment
Business auto	Hudson Insurance Company	3/7/2023	\$1,000,000 Combined Single Limit Liability
General liability	Hudson Excess Insurance Company	3/7/2023	\$1,000,000 each loss; \$2,000,000 aggregate
Crime bond	Travelers Casualty & Surety Co of America	3/7/2025	Employee Theft: \$100,000
Employment practices liability	Atlantic Specialty Insurance Company	3/7/2023	\$1,000,000 each loss; \$2,000,000 aggregate
Law enforcement officer liability	Hudson Excess Insurance Company	3/7/2023	\$1,000,000 each loss; \$2,000,000 aggregate
Public entity management liability	Hudson Excess Insurance Company	3/7/2023	\$1,000,000 each loss; \$2,000,000 aggregate
Employee benefits liability	Hudson Excess Insurance Company	3/7/2023	\$1,000,000 each loss; \$2,000,000 aggregate
Workers' compensation	La. Municipal Risk Management Agency	10/1/2023	Statutory
Surety bonds	Record Insurance	10/1/2023	\$100,000 town clerk and tax collector; \$10,000 other officials and employees
Position scheduled bond	Record Insurance	10/1/2023	\$50,000 each for mayor, town clerk, bookkeeper, plant controller
Boiler & machinery	Hartford Steam Boiler Inspection & Ins. Co.	3/7/2023	Equipment Breakdown limit: \$50,000,000
Cyber liability	BCS Insurance Company	3/9/2023	\$1,000,000 Combined Single Limit Liability

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SCHEDULE OF GAS AND WATER RATES (UNAUDITED)
JUNE 30, 2022

RESIDENTIAL CUSTOMERS – GAS

In Town Limits: \$13.00 base monthly service charge plus weighted average cost of gas per MCF + \$7.65 for each unit of MCF.

Out of Town Limits: \$14.00 base monthly service charge plus weighted average cost of gas per MCF + \$7.65 for each unit of MCF.

SMALL BUSINESS CUSTOMERS – GAS

In Town Limits: \$17.00 base monthly service charge plus weighted average cost of gas per MCF + \$7.65 for each unit of MCF.

Out of Town Limits: \$18.00 base monthly service charge plus weighted average cost of gas per MCF + \$7.65 for each unit of MCF.

LARGE BUSINESS CUSTOMERS – GAS

In Town Limits: \$35.00 base monthly service charge plus weighted average cost of gas per MCF + \$7.40 for each unit of MCF.

Out of Town Limits: \$36.00 base monthly service charge plus weighted average cost of gas per MCF + \$7.40 for each unit of MCF.

HOSPITAL SERVICE DISTRICT HIGH USAGE RATE

\$35.00 base monthly service charge plus weighted average cost of gas per MCF + \$6.25 for each unit when total monthly usage per meter exceeds 500 MCF.

RESIDENTIAL CUSTOMERS, IN TOWN LIMITS - WATER

\$20 minimum bill for the first 2,000 gallons
\$3.25 per 1,000 gallons all excess

SENIOR CITIZENS RESIDENTIAL CUSTOMERS, IN TOWN LIMITS - WATER

\$18 minimum bill for the first 2,000 gallons
\$2.93 per 1,000 gallons all excess

RESIDENTIAL CUSTOMERS, OUTSIDE OF TOWN LIMITS - WATER

\$22 minimum bill for the first 2,000 gallons
\$3.50 per 1,000 gallons all excess

SMALL BUSINESS CUSTOMERS - WATER

\$25 minimum bill for the first 2,000 gallons
\$3.25 per 1,000 gallons all excess

LARGE BUSINESS CUSTOMERS - WATER

\$60 minimum bill for the first 2,000 gallons
\$3.25 per 1,000 gallons all excess



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and Members of the Board of Aldermen and the Louisiana Legislative Auditor:

We have performed the procedures which were agreed to by the Town of St. Francisville (Town or Entity) and the Louisiana Legislative Auditor (LLA) (the specified users) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedures presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exceptions noted*" or for step 25 "*we performed the procedures and discussed the results with management.*" If not, then a description of the exception ensues.

Written Policies and Procedures

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

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

No exceptions noted.

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

No exceptions noted.



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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

The Town does have a contracting policy, but the policy does not specify any of the required items.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.



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

The Town does have a debt service policy, but the policy does not specify any of the required items.

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

No exceptions noted.

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

The Town's policy does not state they require an annual 1-hour training, but there is documentation each employee completes the training annually. The policy does not state the Town completes the annual sexual harassment report, but this report was completed for the fiscal year.

Board or Finance Committee

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

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

No exceptions noted

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

The months of July, October, January, and February included approval of monthly financials and budget to actual comparisons. However, there was no approval of monthly financials or budget to actual comparisons for eight remaining months.



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

We performed the procedures noting that the General Fund had positive unassigned fund balance. No exceptions noted.

Bank Reconciliations

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

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

No exceptions noted.

b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

The Town does not have evidence on their bank reconciliations indicating review; however, two signatures were noted on each bank statement.

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

One account with outstanding checks for more than twelve months; however, these checks were all immaterial. No exception noted.

Collections

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

A listing of deposit sites was provided and included a total of one deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the one deposit site and performed the procedures below.



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

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

No exceptions noted.

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

The employee responsible for collecting cash also prepares and makes the deposits.

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

No exceptions noted.

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

No exceptions noted.

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

The individual responsible for collecting cash is not bonded.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

Two deposit dates were selected for the five bank accounts selected for procedure #3.



a) Observe that receipts are sequentially pre-numbered.

The Town does not issue receipts for cash collections.

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

The Town does not issue receipts for cash collections.

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

No exceptions noted.

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

P&N noted two of the collections were not deposited within 24 hours.

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

No exceptions noted.

Non-Payroll Disbursements

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations.

The listing of locations that process payments for the fiscal period was provided. The Town only has one location for processing payments. No exceptions were noted as a result of performing this procedure.

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

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.



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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

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

No exceptions noted.

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

There is no indication of who initiated the purchase orders/requisitions.

Credit Cards

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

A listing of all active credit cards, bank debit cards, fuel cards, and P-cards was obtained from management.



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

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

The Mayor approves all card payments, and he is an authorized card holder.

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

No exceptions noted.

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

Two of the five cards selected under #12 above were fuel cards. One of the other three cards did not have any transactions and another of the three cards only had three transactions. A total of 10 transactions were selected from the two non-fuel cards with transactions. We noted there was no receipt for one transaction. We also noted two additional instances where there was no written documentation for the business/public purpose.

Travel and Travel-Related Expense Reimbursements

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

The listing of travel expense reimbursements was provided for the fiscal period. No exceptions noted.

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



No exceptions noted.

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

No exceptions noted.

c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation included the names of those that participated) and other documentation required.

No exceptions noted.

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

The reimbursement was not approved in two instances.

Contracts

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

a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Of the five contracts selected for testing, none were subject to the Louisiana Public Bid Law. No exceptions noted.

b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Two of the five contracts selected for testing were service contracts and signed at the mayor's discretion. The remaining contracts were approved by the Board.

c) If the contract was amended (e.g. change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

None of the five contracts selected had amendments during the fiscal period selected. Therefore, this procedure is not applicable.



d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

Payroll and Personnel

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

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions noted. From the listing provided, we randomly selected 5 employees and performed the specified procedures.

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

a) Observe all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions noted.

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

The Town does not utilize forms to evidence approval of leave taken.

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

The Town does not utilize forms to evidence approval of leave taken.

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

No exceptions noted.

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



the employee/officials' cumulative leave records, agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files, and agree the termination payment to the entity's policy.

A listing of employees/officials receiving termination payment during the fiscal period was provided. No exceptions noted.

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

No exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

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

No exceptions noted.

Debt Service

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

No exceptions noted.

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

There is no required reserve balance for this bond, but payments are made in compliance with debt covenants. No exceptions noted.



Fraud Notice

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

No misappropriation of funds per management. No exceptions noted.

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

No exceptions noted.

Information Technology

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.



Sexual Harassment

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

No exceptions noted.

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

No exceptions noted.

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

a) Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions noted.

b) Number of sexual harassment complaints received by the agency;

No exceptions noted.

c) Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions noted.

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions noted.

e) Amount of time it took to resolve each complaint.

No exceptions noted.



Corrective Action

29. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

Attached.

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

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

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

Postlethwaite & Netterville

Postlethwaite & Netterville
Donaldsonville, Louisiana
November 30, 2022



11936 Ferdinand Street • P. O. Box 400 • St. Francisville, LA 70775
Phone 225.635.3688 • Fax 225.635.6984 • email: townhall@townofstf.com

Corrective Action Plan for Statewide Agreed-Upon Procedures
For the Year Ending June 30, 2022.

PROCEDURE 1f WRITTEN POLICES AND PROCEDURES CONTRACTING

RESULT – The Town does have a contracting policy, but the policy does not specify any of the required items.

CORRECTIVE ACTION – Types of services requiring written contracts, standards terms and conditions, legal review, approval process and monitoring process will be added to the contracting policy.

PROCEDURE 1 j WRITTEN POLICIES AND PROCEDURES DEBT SERVICE

RESULT – The Town does have a debt service policy, but the policy does not specify any of the required items.

CORRECTIVE ACTION – Debt issuance approval, continuing disclosure/EMMA reporting requirements, debt reserve requirements, and debt service requirements will be added to the debt service policy.

PROCEDURE 1 i WRITTEN POLICES AND PROCEDURES SEXUAL HARASSMENT

RESULT-The Town's policy does not state they require an annual 1-hour training, but there is documentation each employee completes the training annually. The policy does not state the Town completes the annual sexual harassment report, but this report was completed for the fiscal year.

CORRECTIVE ACTION – Sexual Harassment policy stating that each employee must complete one hour of training per year will be added to policy and procedures.

PROCEDURE 2 b BOARD AND FINANCE COMMITTEE

RESULT - The months of July, October, January, and February included approval of monthly financials and budget to actual comparisons. However, there was no approval of monthly financials or budget to actual comparisons for eight remaining months.

CORRECTIVE ACTION – The monthly financials and budget comparison will be given to the board. It will be included in the minutes of the meeting that they have reviewed it.

PROCEDURE 3b BANK RECONCILIATIONS

RESULT - The Town does not have evidence on their bank reconciliations indicating review; however, two signatures were noted on each bank statement.

CORRECTIVE ACTION – A cover sheet will be done and signed by the person reconciling bank statements. It will also be signed by the person reviewing the bank statements.

PROCEDURE 5b COLLECTIONS

RESULT - The employee responsible for collecting cash also prepares and makes the deposits.

CORRECTIVE ACTION – The utility clerk is responsible for collecting cash and preparing and making deposits. The accounts receivable employee then checks the deposit and transactions before it goes to the bank. The preparer and the reviewer both will sign daily work.

PROCEDURE 6

RESULT - The individual responsible for collecting cash is not bonded.

CORRECTIVE ACTION – The honesty bond is being updated to have the position of utility clerk specifically added to it.

PROCEDURE 7 a AND 7 b

RESULT - The Town does not issue receipts for cash collections.

CORRECTIVE ACTION – The Town is currently in the process of finding a new software. With the new software we will be able to give printed receipts with each transaction.

PROCEDURE 7 d

RESULT - P&N noted two of the collections were not deposited within 24 hours.

CORRECTIVE ACTION – The utility clerk has been told that deposits (when there is one) must be taken to the bank daily.

PROCEDURE 10 b NON-PAYROLL DISBURSEMENTS

RESULT - There is no indication of who initiated the purchase orders/requisitions.

CORRECTIVE ACTION – When purchase orders are now given the person requesting the purchase order must sign and then have appropriate person sign authorizing purchase.

PROCEDURE 12 a CREDIT CARDS

RESULT - The reimbursement was not approved in two instances.

CORRECTIVE ACTION – The Clerk will now review and sign any charge made by the mayor on the town credit cards.

PROCEDURE 13 CREDIT CARDS

RESULT - wo of the five cards selected under #12 above were fuel cards. One of the other three cards did not have any transactions and another of the three cards only had three transactions. A total of 10 transactions were selected from the two non-fuel cards with transactions. We noted there was no receipt for one transaction. We also noted two additional instances where there was no written documentation for the business/public purpose.

CORRECTIVE ACTION – All credit card users have been informed that all transactions must have a receipt turned in. On the receipt it must have written on it what the purchase was for.

PROCEDURE 14 d TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS

RESULT - The reimbursement was not approved in two instances.

CORRECTIVE ACTION – The reimbursements will be signed by employee receiving reimbursement and approved by the mayor. When it is the mayor getting a reimbursement, it will be signed by mayor and approved by the clerk.

PROCEDURE 17 b PAYROLL AND PERSONNEL

RESULT - The Town does not utilize forms to evidence approval of leave taken.

CORRECTIVE ACTION – The town in putting into place a leave request form to be signed by employee and must be approved by supervisor.

PROCEDURE 17 c PAYROLL AND PERSONNEL

RESULT - The Town does not utilize forms to evidence approval of leave taken.

CORRECTIVE ACTION - The town in putting into place a leave request form to be signed by employee and must be approved by supervisor.

The above corrective action plan addresses the auditor’s current year findings. If you need additional information concerning the corrective action plan, please feel free to contact me.



Robert P. Leake
Mayor



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A Professional Accounting Corporation

To the Honorable Mayor and Members
of the Board of Aldermen
Town of St. Francisville
St. Francisville, Louisiana

We have audited the general-purpose financial statements of the Town of St. Francisville (the Town) for the year ended June 30, 2022, and have issued our report thereon dated November 30, 2022. As part of our audit, we made a study and evaluation of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls or operating efficiency. Our comments and suggestions regarding those matters are set forth below. This letter does not affect our reports dated November 30, 2022, on the financial statements of the Town of St. Francisville or the Town's internal control over financial reporting.



ML 22-001

Reconciling of Funds

Condition:

Management was reconciling payroll cash clearing and accounts payable clearing to the bank statement. The Town's accounting policy requires that payroll transactions and disbursement transaction be allocated to each respective fund, with the reciprocating interfund receivables and payables being recognized. However, management was not reconciling to the individual funds, resulting in misstated liabilities and expenses in individual funds and in one instance, an unrecorded expense.

Recommendation:

P&N recommends management reconcile the payroll cash balance and accounts payable cash balance to the applicable funds in order to prevent understated expenses and potential cash overdrafts.

ML 22-002

Reconciliations

Condition:

Management is not reconciling the accounts payable and accounts receivable sub-ledgers to the general ledger. In addition, there is no reconciliation of payroll expenses and retirement expenses to the general ledger. Although there is no formal reconciliation and approval, all sub-ledgers agreed to the general ledger.

Recommendation:

P&N recommends management reconcile the accounts payable and accounts receivable sub-ledgers to the general ledger and payroll and retirement expenses per submitted reports to the general ledger. In addition, the reconciliation should be documented and approved.

This information is intended solely for the use of the members of the Board and management of the Town of St. Francisville and should not be used for any other purpose.

Postlethwaite & Netterville

Donaldsonville, Louisiana
November 30, 2022



Status of Prior Year Management Letter Comments

ML 21-001

Reconciling of Funds

Condition:

Management was reconciling payroll cash clearing and accounts payable clearing to the bank statement. The Town's accounting policy requires that payroll transactions and disbursement transaction be allocated to each respective fund, with the reciprocating interfund receivables and payables being recognized. However, management was not reconciling to the individual funds, resulting in misstated liabilities and expenses in individual funds.

Recommendation:

P&N recommends management reconcile the payroll cash balance and accounts payable cash balance to the applicable funds in order to prevent understated expenses and potential cash overdrafts.

Current Status:

A similar finding has been noted for the current year.

ML 21-002

Reconciliations

Condition:

Management is not reconciling the accounts payable and accounts receivable sub-ledgers to the general ledger. In addition, there is no reconciliation of payroll expenses to the general ledger. Although there is no formal reconciliation and approval, all sub-ledgers agreed to the general ledger.

Recommendation:

P&N recommends management reconcile the accounts payable and accounts receivable sub-ledgers to the general ledger and payroll expenses per payroll reports to the general ledger. In addition, the reconciliation should be documented and approved.

Current Status:

A similar finding has been noted for the current year.

ML 21-003

Retirement Contributions

Condition:

Supplemental pay for a rehired police officer in the amount of \$3,245 was not included as pensionable wages on the retirement contribution report but has since been remitted.

Recommendation:

P&N recommends management implement a procedure to ensure all pensionable wages are included on retirement contribution reports.

Current Status:

This finding has been resolved for the current year.



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ML 22-001 Reconciling of Funds

Condition: Management was reconciling payroll cash clearing and accounts payable clearing to the bank statement. The Town's accounting policy requires that payroll transactions and disbursement transaction be allocated to each respective fund, with the reciprocating interfund receivables and payables being recognized. However, management was not reconciling to the individual funds, resulting in misstated liabilities and expenses in individual funds and in one instance, an unrecorded expense.

Recommendation: P&N recommends management reconcile the payroll cash balance and accounts payable cash balance to the applicable funds in order to prevent understated expenses and potential cash overdrafts

Management response: Management will reconcile payroll cash balance and accounts payable to the applicable funds.

ML 22-002 Reconciliations

Condition: Management is not reconciling the accounts payable and accounts receivable sub-ledgers to the general ledger. In addition, there is no reconciliation of payroll expenses and retirement expenses to the general ledger. Although there is no formal reconciliation and approval, all sub-ledgers agreed to the general ledger

Recommendation: P&N recommends management reconcile the accounts payable and accounts receivable sub-ledgers to the general ledger and payroll and retirement expenses per submitted reports to the general ledger. In addition, the reconciliation should be documented and approved.

Management Response: Management will reconcile accounts payable and accounts receivable sub-ledgers to the general ledger. Payroll expense reports will be reconciled, documented and approved.

Sincerely,

Robert P. Leake, Mayor
Town of St. Francisville