

CITY OF ST. MARTINVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

The Honorable Jason Willis, Mayor
and Members of the City Council
City of St. Martinville, 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, each major fund, and the aggregate remaining fund information of the City of St. Martinville, Louisiana (City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City'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, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, 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 the 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 Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 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 *Government 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 budgetary comparison schedule, schedule of changes in net OPEB liability and related ratios, schedule of employer's share of net pension liability, and schedule of employer pension contributions, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

The prior year comparative information on the comparative statements has been derived from the City's 2023 financial statements. This information was subjected to 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 and, in our opinion, was fairly presented, in all material respects, in relation to the basic financial statements as a whole.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of number of utility customers but does not include the basic financials and our auditors report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the City of St. Martinville'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 effectiveness of the City'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 City of St. Martinville's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 31, 2024

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 929,626	\$ 303,127	\$ 1,232,753
Investments	1,025,024	286,522	1,311,546
Receivables, net	220,018	1,269,033	1,489,051
Internal balances	591,897	(591,897)	-
Due from other governmental units	344,215	-	344,215
Inventories	-	282,052	282,052
Prepaid items	106,877	16,796	123,673
Deposits	-	12,000	12,000
Total current assets	<u>3,217,657</u>	<u>1,577,633</u>	<u>4,795,290</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	-	335,289	335,289
Investments	-	36,972	36,972
Capital assets -			
Land and construction in progress	847,362	882,679	1,730,041
Capital assets, net	<u>6,824,117</u>	<u>8,419,132</u>	<u>15,243,249</u>
Total noncurrent assets	<u>7,671,479</u>	<u>9,674,072</u>	<u>17,345,551</u>
Total assets	<u>10,889,136</u>	<u>11,251,705</u>	<u>22,140,841</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	786,760	248,750	1,035,510
Deferred outflows related to postemployment benefits	<u>2,327</u>	<u>582</u>	<u>2,909</u>
Total deferred outflows of resources	<u>789,087</u>	<u>249,332</u>	<u>1,038,419</u>
LIABILITIES			
Current liabilities:			
Accounts, salaries, and other payables	245,988	568,123	814,111
Compensated absences payable	17,622	-	17,622
Unearned revenue	34,215	-	34,215
Customer deposits	8,935	372,261	381,196
Leases payable	7,994	59,435	67,429
Notes payable	78,327	18,757	97,084
Bonds payable	172,000	-	172,000
Accrued interest	<u>11,100</u>	<u>-</u>	<u>11,100</u>
Total current liabilities	<u>576,181</u>	<u>1,018,576</u>	<u>1,594,757</u>
Noncurrent liabilities:			
Compensated absences payable	71,932	-	71,932
Leases payable	32,775	208,971	241,746
Notes payable	166,972	5,573	172,545
Bonds payable	1,607,013	-	1,607,013
Net pension liability	1,753,594	644,382	2,397,976
Postemployment benefit obligation payable	<u>228,687</u>	<u>70,365</u>	<u>299,052</u>
Total noncurrent liabilities	<u>3,860,973</u>	<u>929,291</u>	<u>4,790,264</u>
Total liabilities	<u>4,437,154</u>	<u>1,947,867</u>	<u>6,385,021</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	154,635	22,083	176,718
Deferred outflows related to postemployment benefits	<u>97,186</u>	<u>29,904</u>	<u>127,090</u>
	<u>251,821</u>	<u>51,987</u>	<u>303,808</u>
NET POSITION			
Net investment in capital assets	5,985,598	9,009,075	14,994,673
Restricted:			
Purpose of grantor	52,773	-	52,773
Capital projects	372,581	-	372,581
Debt service	15,559	-	15,559
Unrestricted	<u>562,737</u>	<u>492,108</u>	<u>1,054,845</u>
Total net position	<u>\$ 6,989,248</u>	<u>\$ 9,501,183</u>	<u>\$ 16,490,431</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2024

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,660,638	\$ -	\$ -	\$ -	\$ (1,660,638)	\$ -	\$ (1,660,638)
Public safety	2,162,779	122,711	1,007,408	-	(1,032,660)	-	(1,032,660)
Public works	1,445,714	11,137	-	-	(1,434,577)	-	(1,434,577)
Recreation	418,994	30,294	-	-	(388,700)	-	(388,700)
Tourism	141,954	12,943	-	-	(129,011)	-	(129,011)
Urban redevelopment housing	423,487	-	434,726	-	11,239	-	11,239
Interest on long-term debt	63,445	-	-	-	(63,445)	-	(63,445)
Total governmental activities	6,317,011	177,085	1,442,134	-	(4,697,792)	-	(4,697,792)
Business-type activities:							
Electric	4,117,970	5,284,343	-	-	-	1,166,373	1,166,373
Water	809,968	936,494	-	-	-	126,526	126,526
Wastewater	1,006,809	884,307	-	50,000	-	(72,502)	(72,502)
Garbage	611,372	630,085	-	-	-	18,713	18,713
Total business-type activities	6,546,119	7,735,229	-	50,000	-	1,239,110	1,239,110
Total	\$ 12,863,130	\$ 7,912,314	\$ 1,442,134	\$ 50,000	(4,697,792)	1,239,110	(3,458,682)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					253,562	-	253,562
Sales and use taxes, levied for general purposes					2,143,891	-	2,143,891
Franchise taxes					117,900	-	117,900
Occupational licenses					231,482	-	231,482
Grants and contributions not restricted to specific programs -							
State sources					358,732	-	358,732
Non-employer pension contribution					51,282	25,598	76,880
Interest and investment earnings					34,224	48,129	82,353
Gain on sale of assets					31,271	30,000	61,271
Miscellaneous					240,679	-	240,679
Transfers					1,465,558	(1,465,558)	-
Total general revenues and transfers					4,928,581	(1,361,831)	3,566,750
Change in net position					230,789	(122,721)	108,068
Net position - July 1, 2023					6,758,459	9,623,904	16,382,363
Net position - June 30, 2024					\$ 6,989,248	\$ 9,501,183	\$ 16,490,431

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

MAJOR FUNDS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Capital Projects Fund

To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Enterprise Fund

Utility Fund -

To account for the provision of electricity, water, and wastewater services to residents of the City and operations of the electrical, water and wastewater plants.

NONMAJOR FUNDS

The Section 8 Fund and Debt Service Fund are presented as nonmajor funds.

CITY OF ST. MARTINVILLE, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2024

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and interest-bearing deposits	\$ 417,459	\$ 439,945	\$ 72,222	\$ 929,626
Investments	1,025,024	-	-	1,025,024
Receivables:				
Taxes	211,087	-	-	211,087
Due from other governmental units	344,215	-	-	344,215
Due from other funds	773,462	-	1,042	774,504
Other	8,931	-	-	8,931
Prepaid items	106,877	-	-	106,877
Total assets	<u>\$2,887,055</u>	<u>\$ 439,945</u>	<u>\$ 73,264</u>	<u>\$ 3,400,264</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 136,508	\$ 17,117	\$ 4,608	\$ 158,233
Accrued expenses	76,142	-	324	76,466
Due to other governmental units	11,289	-	-	11,289
Customer rental deposits	8,935	-	-	8,935
Unearned revenue	34,215	-	-	34,215
Due to other funds	132,360	50,247	-	182,607
Total liabilities	<u>399,449</u>	<u>67,364</u>	<u>4,932</u>	<u>471,745</u>
Fund balances -				
Nonspendable - prepaid items and inventory	106,877	-	-	106,877
Restricted for capital projects	-	372,581	-	372,581
Restricted for debt service	-	-	15,559	15,559
Restricted for purpose of grantor	-	-	52,773	52,773
Unassigned	2,380,729	-	-	2,380,729
Total fund balances	<u>2,487,606</u>	<u>372,581</u>	<u>68,332</u>	<u>2,928,519</u>
Total liabilities and fund balances	<u>\$2,887,055</u>	<u>\$ 439,945</u>	<u>\$ 73,264</u>	<u>\$ 3,400,264</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF ST. MARTINVILLE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Total fund balances for governmental funds at June 30, 2024	\$2,928,519
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 745,390	
Construction in progress	101,972	
Right-of-use assets, net of \$5,209 accumulated amortization	39,436	
Buildings and improvements, net of \$4,559,384 accumulated depreciation	2,138,050	
Equipment and vehicles, net of \$1,268,092 accumulated depreciation	1,247,175	
Infrastructure, net of \$1,366,249 accumulated depreciation	<u>3,399,456</u>	7,671,479

The deferred outflows of expenditures for the municipal and police employees retirement systems and postemployment benefits are not a use of current resources, and therefore, are not reported in the funds.	789,087
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General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. General long-term debt consist of:

Bonds payable	(1,779,013)	
Accrued interest payable	(11,100)	
Notes payable	(245,299)	
Right-of-use liabilities	(40,769)	
Net postemployment benefit obligation payable	(228,687)	
Compensated absences	(89,554)	
Net pension liability	<u>(1,753,594)</u>	(4,148,016)

The deferred inflows of contributions for the municipal and police employees retirement systems are not available resources, and therefore, are not reported in the funds.	<u>(251,821)</u>
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Total net position of governmental activities at June 30, 2024	<u>\$6,989,248</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2024

	General	Capital Projects Fund	Nonmajor Funds	Total
Revenues:				
Taxes	\$ 2,280,772	\$ -	\$ 116,681	\$2,397,453
Licenses and permits	349,382	-	-	349,382
Intergovernmental	1,366,140	-	434,726	1,800,866
Charges for services	54,374	-	-	54,374
Fines and forfeits	122,711	-	-	122,711
Miscellaneous	302,531	433	62	303,026
Total revenues	<u>4,475,910</u>	<u>433</u>	<u>551,469</u>	<u>5,027,812</u>
Expenditures:				
Current -				
General government	1,336,310	15,333	9,503	1,361,146
Public safety	1,929,993	-	-	1,929,993
Public works	1,281,322	-	-	1,281,322
Recreation	245,672	72	-	245,744
Tourism	96,498	-	-	96,498
Urban redevelopment and housing	-	-	423,487	423,487
Capital outlay	1,292,701	78,352	-	1,371,053
Debt service	105,012	-	424,366	529,378
Total expenditures	<u>6,287,508</u>	<u>93,757</u>	<u>857,356</u>	<u>7,238,621</u>
Deficiency of revenues over expenditures	<u>(1,811,598)</u>	<u>(93,324)</u>	<u>(305,887)</u>	<u>(2,210,809)</u>
Other financing sources (uses):				
Issuance of long-term debt	272,340	-	-	272,340
Transfers in	1,465,558	-	250,000	1,715,558
Transfers out	(250,000)	-	-	(250,000)
Total other financing sources (uses)	<u>1,487,898</u>	<u>-</u>	<u>250,000</u>	<u>1,737,898</u>
Net changes in fund balances	(323,700)	(93,324)	(55,887)	(472,911)
Fund balances, beginning	<u>2,811,306</u>	<u>465,905</u>	<u>124,219</u>	<u>3,401,430</u>
Fund balances, ending	<u>\$ 2,487,606</u>	<u>\$ 372,581</u>	<u>\$ 68,332</u>	<u>\$2,928,519</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF ST. MARTINVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2024

Total net changes in fund balances at June 30, 2024 per
statement of revenues, expenditures and changes in fund balances \$ (472,911)

The change in net position reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 1,129,539	
Gain on disposal of assets	16,691	
Depreciation expense for the year ended June 30, 2024	<u>(554,659)</u>	591,571

Bond proceeds are reported as financing sources in governmental funds
and thus contribute to the change in fund balance. In the statement of
net position, however, issuing debt increases long-term liabilities and
does not affect the statement of activities. Similarly, principal
payments are recorded as expenditures in the governmental funds but
reduce the liability in the statement of net position. Also, governmental
funds report the effect of premiums, discounts, and similar items when
debt is first issued, whereas these amounts are deferred and amortized
in the statement of activities:

Principal payments	460,720	
Proceeds from operating leases	(253,107)	
Proceeds from intangible right-of-use assets	(44,645)	
Amortization of bond premium	<u>3,960</u>	166,928

Pension expense not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure	(144,053)
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Nonemployer contributions to the municipal employees and police employees pension plans	51,282
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Change in net OPEB obligation at June 30, 2024 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure	8,456
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Some expenses reported in the statement of activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in governmental funds.

Interest expense	1,253	
Compensated absences	<u>28,263</u>	<u>29,516</u>

Total changes in net position at June 30, 2024 per statement of activities	<u>\$ 230,789</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Net Position
Proprietary Fund
June 30, 2024

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 303,127
Investments	286,522
Receivables:	
Accounts, net	1,269,033
Due from other funds	131,318
Inventory	282,052
Prepaid items	16,796
Deposits	12,000
Total current assets	<u>2,300,848</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	335,289
Investments	36,972
Capital assets -	
Land and construction in progress	882,679
Other capital assets, net of accumulated depreciation	<u>8,419,132</u>
Total noncurrent assets	<u>9,674,072</u>
Total assets	<u>11,974,920</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	248,750
Deferred outflows related to postemployment benefits	<u>582</u>
Total deferred outflows of resources	<u>249,332</u>

LIABILITIES

Current liabilities:	
Accounts, salaries, and other payables	568,123
Due to other funds	723,215
Leases payable	59,435
Notes payable	18,757
Customer deposits	<u>372,261</u>
Total current liabilities	<u>1,741,791</u>
Noncurrent liabilities:	
Leases payable	208,971
Notes payable	5,573
Net pension liability	644,382
Postemployment benefit obligation payable	<u>70,365</u>
Total noncurrent liabilities	<u>929,291</u>
Total liabilities	<u>2,671,082</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	22,083
Deferred outflows related to postemployment benefits	<u>29,904</u>
	<u>51,987</u>

NET POSITION

Net investment in capital assets	9,009,075
Unrestricted	<u>492,108</u>
Total net position	<u>\$ 9,501,183</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2024

Operating revenues:	
Charges for services -	
Electric	\$ 5,196,884
Water	936,494
Wastewater	884,307
Garbage	630,085
Permits, reconnections and penalties	87,459
Total operating revenues	<u>7,735,229</u>
Operating expenses:	
Electric	4,117,970
Water	809,968
Wastewater	981,377
Garbage	611,372
Total operating expenses	<u>6,520,687</u>
Operating income	<u>1,214,542</u>
Nonoperating revenues (expenses):	
Investment income	48,129
Interest expense	(25,432)
Sales of assets	30,000
Nonemployer contribution revenue	25,598
Total nonoperating revenues (expenses)	<u>78,295</u>
Income before capital contributions and transfers	1,292,837
Capital contributions	50,000
Transfers out	<u>(1,465,558)</u>
Change in net position	(122,721)
Net position, beginning	<u>9,623,904</u>
Net position, ending	<u>\$ 9,501,183</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2024

Cash flows from operating activities:	
Receipts from customers	\$ 7,722,813
Payments to suppliers	(4,694,963)
Payments to employees	<u>(1,349,111)</u>
Net cash provided by operating activities	<u>1,678,739</u>
Cash flows from noncapital financing activities:	
Increase in customer deposits, net of refunds	7,547
Cash received from other funds	156,944
Transfers out	<u>(1,465,558)</u>
Net cash used by noncapital financing activities	<u>(1,301,067)</u>
Cash flows from capital and related financing activities:	
Purchase and construction of capital assets	(574,937)
Principal payments on notes payable	(19,492)
Grants received	<u>50,000</u>
Net cash used by capital and related financing activities	<u>(544,429)</u>
Cash flows from investing activities:	
Maturities of investments, net of purchases	332,808
Investment income	<u>48,129</u>
Net cash provided by investing activities	<u>380,937</u>
Net increase in cash and cash equivalents	214,180
Cash and cash equivalents, beginning of period	<u>424,236</u>
Cash and cash equivalents, end of period	<u>\$ 638,416</u>

(continued)

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended June 30, 2024

Reconciliation of operating income to net cash provided by

operating activities:

Operating income	\$ 1,214,542
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Adjustments to reconcile operating income to net cash provided by
operating activities:

Depreciation	416,385
Pension/OPEB expense	(37,604)
Changes in current assets and liabilities:	
Receivables	97,698
Inventory	(16,506)
Prepaid items	1,021
Accounts and other payables	29,420
Compensated absences	<u>(26,217)</u>
Total adjustments	<u>464,197</u>

Net cash provided by operating activities	<u>\$ 1,678,739</u>
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Reconciliation of cash and cash equivalents per statement
of cash flows to the balance sheet:

Cash and cash equivalents, beginning of period -

Cash - unrestricted	\$ 357,510
Cash - restricted	<u>66,726</u>
Total cash and cash equivalents	<u>424,236</u>

Cash and cash equivalents, end of period -

Cash - unrestricted	303,127
Cash - restricted	<u>335,289</u>
Total cash and cash equivalents	<u>638,416</u>

Net increase	<u>\$ 214,180</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of St. Martinville (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City of St. Martinville was incorporated on January 30, 1817. The City operates under the provisions of a special charter dated April 4, 1898 and operates under a Mayor-City Council form of government.

The financial reporting entity should consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, "Defining the Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's governing authority appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or the potential component unit is fiscally dependent on the primary government.
3. Financial benefit/burden relationship between the primary government and the potential component unit.
4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

Based on these criteria, the City did not identify any component units that are required to be reported.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City'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. 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 accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the City are classified into two categories: governmental and proprietary (enterprise). The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The major funds of the City are described below:

Governmental Funds -

General Fund -

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

Capital Projects Fund -

Capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Fund -

Enterprise Fund -

The enterprise fund is 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 primarily 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. The City's enterprise fund is the Utility Fund.

The City's nonmajor funds are described below:

Debt Service Fund -

The debt service fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs.

Section 8 Fund -

This fund is used to account for the receipt and subsequent expenditures of Section 8 housing funds received from the federal government.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when a payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments

Under state law, the City may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The City may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of 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 (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Codification Section I50, investments meeting the criteria specified in the Statement are stated at fair value, which is quoted market prices.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Inventories

Inventories held by both the General and Utility Funds are valued at cost (first-in, first-out).

Prepays

Payments made to vendors for services that will benefit future periods are recorded as prepaid items. The City utilizes the consumption method to account for prepaid items.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. The major receivable balance for the governmental activities is sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading/billing and the end of the month are estimated and recorded at June 30, 2024. All receivables are shown net of an allowance account, as applicable. At June 30, 2024, the allowance amount associated with the receivables of the Utility Fund was \$158,355.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	5-40 years
Equipment and vehicles	5-20 years
Wastewater and water plant	5-50 years
Electric lines and meters	7-50 years
Infrastructure	40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Restricted Assets

Restricted assets include cash, interest-bearing deposits, and investments that are legally restricted as to their use. As of June 30, 2024, the restricted assets were related to utility customers' deposits in the amounts of \$372,261.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. The City recognizes deferred outflows of resources and deferred inflows of resources that are attributable to its postemployment benefits and pension plans.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of general obligation bonds, street improvement refunding bonds, sales tax bonds, and capital lease obligations.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

Employees of the City earn from 10 to 35 days of vacation leave, depending upon length of service, and can carryover a maximum of 80 hours each year. Employees of the City earn from 10 to 35 days of sick leave each year, depending upon length of service. Sick leave may be accumulated. No sick leave is paid upon resignation. Upon retirement, unused accumulated vacation and sick leave is paid to the employee at the employee's current rate of pay.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to 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 “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are 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 action of the City Council members, which is the highest level of decision-making authority for the City.
- 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 determined by a formal decision of the City’s Mayor and City Council.
- e. Unassigned – all other spendable amounts.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character

Proprietary Funds - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Use of Estimates

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2024, the City has cash and interest-bearing deposits (book balances) totaling \$1,568,042.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit within the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2024 are secured as follows:

Bank balances	<u>\$ 1,670,900</u>
Federal deposit insurance	\$ 1,420,010
Pledged securities	<u>250,890</u>
Total	<u>\$ 1,670,900</u>

Deposits in the amount of \$250,890 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the City's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. The City does not have a policy for custodial credit risk.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Investments

As of June 30, 2024, the City had the following investments and maturities:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One - Five Years</u>
State Investment Pool (LAMP)	100%	\$ 1,141,349	\$1,141,349	\$ -
Mutual Funds:				
Fixed Income	97%	201,430	201,430	-
Money Market	3%	5,739	5,739	-
Total mutual funds	100%	207,169	207,169	-
Total investments		\$ 1,348,518	\$1,348,518	\$ -

The City participates in the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investment. The financial statements for LAMP may be accessed on their website (<https://www.lamppool.com>). The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA- R.S. 33:2955.

The investment in LAMP is not exposed to 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. Credit risk is the risk that an issuer or other counter party to an investment will be unable to meet its obligations. LAMP is rated AAAM by Standard & Poor's. Interest rate risk is the risk that changes in interest rates will adversely affect the estimated fair value of an investment. 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 for LAMP's total investment as of June 30, 2024, is 43 days.

The investments of LAMP are stated at fair value which 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 pooled shares. LAMP is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAMP's financial statements can be obtained by contacting LAMP at 650 Poydras Street, Suite 200 New Orleans Louisiana 70130 or by contacting the administrative office at 800-249-5267, and the financial statements are also available on the Louisiana Legislative Auditors website at <https://lla.la.gov/>.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Interest Rate Risk – The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City limits investments to government securities that are direct and indirect obligations of the United States Government. At June 30, 2024, investments with a fair value of \$201,430 were rated AA+ by Standards & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City requires all investments to be in the City's name and all ownership securities to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the City. Accordingly, the City had no custodial credit risk related to its investments at June 30, 2024.

(4) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2024 consisted of the following:

Governmental Activities -

State of Louisiana:

Supplemental pay	\$ 7,200
Grass cutting	5,453
Beer tax	3,058
LGAP grants	34,999
ACT 397 grant	167,318
Video poker	40,396

Louisiana Department of Transportation:

Off track betting	9,611
Housing Authority - payment in lieu of taxes	37,502
Other	38,678

Total Governmental Activities	<u>\$ 344,215</u>
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CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance 07/01/23	Additions	Deletions	Balance 06/30/24
Governmental activities:				
Assets not being depreciated:				
Land	\$ 745,390	\$ -	\$ -	\$ 745,390
Construction in progress	75,378	57,362	30,768	101,972
Total assets not depreciated	820,768	57,362	30,768	847,362
Assets being depreciated:				
Buildings and improvements	6,573,928	123,506	-	6,697,434
Equipment and vehicles	1,884,056	934,794	303,583	2,515,267
Infrastructure	4,765,705	-	-	4,765,705
Totals assets being depreciated	13,223,689	1,058,300	303,583	13,978,406
Less accumulated depreciation:				
Buildings and improvements	4,337,238	222,146	-	4,559,384
Equipment and vehicles	1,342,670	187,700	262,278	1,268,092
Infrastructure	1,226,645	139,604	-	1,366,249
Total accumulated depreciation	6,906,553	549,450	262,278	7,193,725
Total capital assets, being depreciated, net	7,137,904	566,212	72,073	7,632,043
Leased assets:				
Right-of-use assets	-	44,645	-	44,645
Less accumulated amortization:				
Right-of-use assets	-	5,209	-	5,209
Leased assets, being amortized, net	-	39,436	-	39,436
Governmental activities, capital assets, net	\$ 7,137,904	\$ 605,648	\$ 72,073	\$ 7,671,479

Depreciation expense was charged to governmental activities as follows:

Capital assets:	
General government	\$ 56,381
Public safety	98,115
Public works	173,814
Culture and recreation	175,095
Tourism	46,045
Total depreciation expense	549,450
Leased assets:	
Right-of-use assets	5,209
Total depreciation expense	\$ 554,659

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

	Balance 07/01/23	Additions	Deletions	Balance 06/30/24
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 482,737	\$ -	\$ -	\$ 482,737
Construction in progress	14,633	385,309	-	399,942
Total assets not depreciated	<u>497,370</u>	<u>385,309</u>	<u>-</u>	<u>882,679</u>
Capital assets being depreciated:				
Buildings and improvements	1,043,540	-	-	1,043,540
Equipment	1,024,834	9,442	148,933	885,343
Wastewater and water plant	17,852,910	12,833	11,606	17,854,137
Electric lines and meters	1,857,717	-	15,947	1,841,770
Totals assets being depreciated	<u>21,779,001</u>	<u>22,275</u>	<u>176,486</u>	<u>21,624,790</u>
Less accumulated depreciation:				
Buildings and improvements	1,036,771	784	-	1,037,555
Equipment	861,874	32,852	148,933	745,793
Wastewater and water plant	9,614,702	301,306	11,606	9,904,402
Electric lines and meters	1,769,951	25,262	15,947	1,779,266
Total accumulated depreciation	<u>13,283,298</u>	<u>360,204</u>	<u>176,486</u>	<u>13,467,016</u>
Total capital assets, being depreciated, net	<u>8,993,073</u>	<u>47,380</u>	<u>-</u>	<u>9,040,453</u>
Leased assets:				
Right-of-use assets	166,176	155,518	-	321,694
Less accumulated amortization:				
Right-of-use assets	4,154	56,182	-	60,336
Leased assets, being amortized, net	<u>162,022</u>	<u>99,336</u>	<u>-</u>	<u>261,358</u>
Business-type activities, capital assets, net	<u>\$ 9,155,095</u>	<u>\$ 146,716</u>	<u>\$ -</u>	<u>\$ 9,301,811</u>
Depreciation expense was charged to business-type activities as follows:				
Electric				\$ 27,739
Water				71,890
Wastewater				<u>260,575</u>
Total depreciation expense				360,204
Leased assets:				
Right-of-use assets				<u>56,182</u>
Total depreciation expense				<u>\$ 416,386</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Leases

Lessee – The Government has entered into lease agreements involving vehicles for operations with lease terms from May 2023 through April 2029 and an incremental borrowing rate of 7.88% - 9.56%. The terms and conditions of the leases do not contain variable payments, residual value guarantees, or any other special provisions. The total of the Governmental Activities leased assets are recorded at a cost of \$44,645, less accumulated amortization of \$5,209. The total of the Business-type Activities leased assets are recorded at a cost of \$321,694, less accumulated amortization of \$60,336.

The leased assets will be amortized over the lease term. Unamortized leased assets to be amortized in future periods are as follows:

Governmental Activities:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 7,994	\$ 3,028	\$ 11,022
2026	8,670	2,352	11,022
2027	9,404	1,618	11,022
2028	10,200	823	11,023
2029	4,501	92	4,593
Totals	<u>\$ 40,769</u>	<u>\$ 7,913</u>	<u>\$ 48,682</u>

Business-Type Activities:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 59,436	\$ 21,178	\$ 80,614
2026	63,855	15,740	79,595
2027	70,813	9,801	80,614
2028	68,802	3,340	72,142
2029	5,500	92	5,592
Totals	<u>\$ 268,406</u>	<u>\$ 50,151</u>	<u>\$ 318,557</u>

(7) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2024:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 169,522	\$ 510,613	\$ 680,135
Accrued payroll and related liabilities	<u>76,466</u>	<u>57,510</u>	<u>133,976</u>
Totals	<u>\$ 245,988</u>	<u>\$ 568,123</u>	<u>\$ 814,111</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Changes in Long-Term Debt

The following is a summary of the changes for the year ended June 30, 2024:

	Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024
Governmental Activities:				
General obligation bonds	\$ 1,180,000	\$ -	\$ 70,000	\$ 1,110,000
Sales tax bond, Series 2016	714,013	-	45,000	669,013
Refunding bonds, Series 2012	260,000	-	260,000	-
Notes payable	132,032	253,107	139,840	245,299
Leases payable	-	44,645	3,876	40,769
Compensated absences	117,817	15,406	43,669	89,554
	2,403,862	313,158	562,385	2,154,635
Unamortized bond premium	3,960	-	3,960	-
Total governmental activities	<u>\$ 2,407,822</u>	<u>\$ 313,158</u>	<u>\$ 566,345</u>	<u>\$ 2,154,635</u>
Business-type Activities:				
Note payable	\$ 43,822	\$ -	\$ 19,492	\$ 24,330
Leases payable	162,745	155,517	49,856	268,406
Compensated absences	26,217	1,699	27,916	-
Total business-type activities	<u>\$ 232,784</u>	<u>\$ 157,216</u>	<u>\$ 97,264</u>	<u>\$ 292,736</u>

Long-term debt at June 30, 2024 is comprised of the following:

Governmental activities –

	Current Portion
\$1,500,000 General Obligation Bond Series 2016 dated March 10, 2016; due in annual installments of \$60,000 - \$115,000 through March 1, 2036; interest at 3.00 percent and payable from and secured by levy collection of ad valorem taxes.	\$ 1,110,000
\$944,013 Sales Tax Bond, Series 2016 issued by Louisiana Department of Environmental Quality; due in annual installments of \$92,000 to \$99,000 through January 1, 2029; interest at 0.45 percent, payable from sales tax collections. Interest and administrative fees amounted to \$3,213 and \$3,570, respectively, for the year ended June 30, 2024.	669,013
Total bonds payable	<u>1,779,013</u>

(Continued)

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Governmental activities (Continued) –

		<u>Current Portion</u>
\$227,695 vehicle lease-purchase dated August 10, 2023, due in 60 monthly installments of \$4,482, including interest at 7.00 percent, through August 10, 2028, secured by General Fund revenues and assets with a carrying value of \$197,348.	187,190	38,403
\$25,412 equipment lease-purchase dated August 30, 2022, due in 48 monthly installments of \$586, including interest at 5.25 percent, through July 30, 2026, secured by General Fund revenues and assets with a carrying value of \$18,757.	13,838	6,454
\$75,413 equipment lease-purchase dated February 10, 2020, due in 60 monthly installments of \$1,457, including interest at 6.06 percent, through August 8, 2024, secured by General Fund revenues and assets with a carrying value of \$48,704.	11,389	11,389
\$29,357 vehicle lease-purchase dated August 4, 2020, due in 60 monthly installments of \$548, including interest at 4.75 percent, through July 4, 2025, secured by General Fund revenues and assets with a carrying value of \$6,361.	6,416	5,869
\$34,230 equipment lease-purchase dated November 13, 2020, due in 60 monthly installments of \$640, including interest at 4.75 percent, through October 13, 2025, secured by General Fund revenues and assets with a carrying value of \$9,128.	9,896	7,363
\$42,025 equipment lease-purchase dated May 18, 2021, due in 60 monthly installments of \$790, including interest at 5.00 percent, through April 18, 2026, secured by General Fund revenues and assets with a carrying value of \$16,109.	<u>16,570</u>	<u>8,850</u>
Total notes payable	<u>245,299</u>	<u>78,327</u>
Total governmental activities long-term liabilities	<u>\$ 2,024,312</u>	<u>\$ 250,327</u>

(Continued)

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(Continued)

Business-type activities

Utility Fund

\$25,811 vehicle lease-purchase dated August 4, 2020, due in 60 monthly installments of \$482, including interest at 4.75 percent, through July 4, 2025, secured by Utility Fund revenues and assets with a carrying value of \$5,592

5,641 5,160

\$68,820 equipment lease-purchase dated November 13, 2020, due in 60 monthly installments of \$1,286, including interest at 4.75 percent, through October 13, 2025, secured by Utility Fund revenues and assets with a carrying value of \$18,352

18,689 13,597

Total notes payable- business-type activities

\$ 24,330 \$ 18,757

The annual requirements to amortize debt outstanding at June 30, 2024 are as follows:

June 30,	Governmental Activities				Business-Type Activities	
	Bonds		Notes Payable		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 172,000	\$ 35,245	\$ 78,327	\$ 13,958	\$ 18,757	\$ 691
2026	172,000	32,499	62,394	9,427	5,573	52
2027	178,000	29,738	48,615	5,760	-	-
2028	184,000	26,822	51,504	2,286	-	-
2029	185,000	23,826	4,459	26	-	-
2030-2043	663,013	71,922	-	-	-	-
2035-2038	225,000	6,825	-	-	-	-
Totals	\$ 1,779,013	\$ 226,876	\$ 245,299	\$ 31,457	\$ 24,330	\$ 743

(9) Pension Plans

The City participates in two cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all City employees participate in one of the following retirement systems:

Plan Descriptions:

Municipal Employees' Retirement Systems (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1731 and 11:1781. The City participates in Plan B.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

State of Louisiana - Municipal Police Employees' Retirement System (MPERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2211 and 11:2220.

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned.

A brief summary of eligibility and benefits of the plans are provided in the following table:

	MERS	MPERS
Final average salary	Final average compensation	Highest 36 months or 60 months ²
Years of service required and/or age eligible for benefits	30 years of any age 10 years age 60	25 years of any age 20 years age 50 12 years age 55 20 years any age ¹ 30 years any age ³ 25 years age 55 ³ 10 years age 60 ³
Benefit percent per years of service	2.00%	2.50 - 3.33% ⁴

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

³ Under non hazardous duty sub plan commencing January 1, 2013

⁴ Membership commencing January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, membership prior to January 1, 2013 3.33%.

Contributions

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.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2024 for the defined benefit pension plans in which the City is a participating employer were as follows:

Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Nonemployer Contributing Entities	Government Contributions
MERS	5.00%	15.50%	\$ 54,458	\$ 288,610
MPERS	10.00%	29.75%	22,422	98,477
Total			<u>\$ 76,880</u>	<u>\$ 387,087</u>

Net Pension Liability

The City's net pension liability at June 30, 2024 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2023 for both plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The City's proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the City's proportion for each plan and the change in proportion from the prior measurement date were as follows:

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
MERS	\$ 1,370,871	1.709613%	0.089914%
MPERS	1,027,105	0.097218%	-0.016953%
Total	<u>\$ 2,397,976</u>		

Since the measurement date of the net pension liability was June 30, 2023, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows: MERS – <http://www.mersla.com> ; MPERS – <http://lampers.org/> .

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the primary government is a participating employer:

	MERS	MPERS
	7/1/2013-6/30/2018	7/1/2014-6/30/2019
Date of experience study	Entry Age Normal	Entry Age Normal
Actuarial cost method	6.85%, net of investment expense	6.750%, net of investment expense
Investment rate of return	3	4
Expected remaining service lives	2.500%	2.500%
Inflation rate	4.9% - 7.4%	4.70% - 12.30%
Projected salary increases	None	None
Projected benefit changes including COLAs	(1), (2), (3)	(4), (5), (6)
Source of mortality assumptions		

(1) PubG-2010(B) Healthy Retiree Tables set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.

(2) PubG-2010(B) Employee Tables set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.

(3) PubNS-2010(B) Disabled Retiree Tables set equal to 120% for males and females, with the full generational MP2018 scales.

(4) Pub-2010 Public Retirement Plan Mortality Table for Safety Below- Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

(5) Pub-2010 Public Retirement Plan 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.

(6) Pub-2010 Public Retirement Plan 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.

Cost of Living Adjustments

The pension plans in which the City participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (MERS and MPERS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Discount Rate

The discount rate used to measure the total pension liability for MERS was 6.850%, which was the same rate from the prior year valuation. The discount rate used to measure the total pension liability for MPERS was 6.750%, which was the same rate from the prior year valuation. 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 positions 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.

Long-term Rate of Return

For MERS and MPERS, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following tables:

Asset Class	MERS		MPERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Public equity	56%	2.44%	52.0%	3.29%
Public fixed income	29%	1.26%	34.0%	1.12%
Alternative Investments	15%	0.65%	14.0%	0.95%
Totals	100%	4.35%	100%	5.36%
Inflation		2.50%		2.54%
Expected arithmetic nominal return		6.85%		7.90%

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2024, the City recognized \$233,838 and \$257,410 in pension expense related to MERS and MPERS, respectively.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 19,699	\$ 72,349	\$ 92,048
Changes of assumptions	-	17,139	17,139
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	43,057	207,468	250,525
Net differences between projected and actual earnings on plan investments	177,929	110,882	288,811
Contributions subsequent to the measurement date	288,610	98,477	387,087
Total	<u>\$ 529,295</u>	<u>\$ 506,315</u>	<u>\$ 1,035,610</u>

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 479	\$ 431	\$ 910
Changes of assumptions	-	-	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	46,500	129,308	175,808
Total	<u>\$ 46,979</u>	<u>\$ 129,739</u>	<u>\$ 176,718</u>

Deferred outflows of resources of \$386,987 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the subsequent year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended			
June 30	MERS	MPERS	Total
2025	\$ 31,259	\$ 109,562	\$ 140,821
2026	53,603	98,026	151,629
2027	116,278	76,022	192,300
2028	(7,434)	(5,511)	(12,945)
	<u>\$ 193,706</u>	<u>\$ 278,099</u>	<u>\$ 471,805</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Sensitivity of the Government's Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:

The following presents the Government's proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the Government's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.850%	\$1,937,054	\$ 1,370,871	\$ 891,974
MPERS	6.750%	1,445,218	1,027,105	677,827
Total		<u>\$3,382,272</u>	<u>\$ 2,397,976</u>	<u>\$1,569,801</u>

Payables to the Pension Plans

At June 30, 2024, the City's payables were \$30,760 and \$13,820 to MERS and MPERS, respectively, for the month of June 2024, which were the contractually required contributions.

(10) Postretirement Health Care and Life Insurance Benefits

Plan Description - The City administers a single-employer defined benefit healthcare plan entitled City of St. Martinville Retiree Health Plan (the Plan). The Plan provides lifetime healthcare insurance for eligible employees and their spouses through the City's group insurance plan which covers both active and retired members. Benefits provisions are established and may be amended by the City Council as authorized by City ordinance. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75. The Plan does not issue a publicly available report.

Benefits Provided - The City provides subsidized medical, dental, and vision benefits to eligible retirees. Covered dependents of the retiree may also have medical, dental and vision benefit coverage with the retiree paying 100% of the additional cost for dependents. The City pays 90% of the individual medical, dental and vision contribution for the retiree.

Employees covered by benefit terms - At July 1, 2023, the following employees were covered by the medical plan terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>47</u>
Total	<u>51</u>

A total of 47 active and 4 retirees have one or more health coverages.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Total OPEB Liability

The City's total OPEB liability of \$299,052 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.5%
Discount rate, including inflation	4.21%
Medical healthcare cost trend rate, flat annually	4.5%
Dental/vision healthcare cost trend rate, flat annually	3.0%
Mortality	RH-2014 Total Table

Changes in the Total OPEB Liability

Balance at June 30, 2023	<u>\$ 319,594</u>
Changes for the year:	
Service cost	44,784
Interest	12,336
Differences between expected and actual	(33,059)
Changes in assumptions	(12,790)
Benefit payments and net transfers	<u>(31,813)</u>
Net changes	<u>(20,542)</u>
Balance at June 30, 2024	<u>\$ 299,052</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21%) or 1-percentage-point higher (5.21%) than the current discount rate:

	1.00% Decrease 3.21%	Current Discount Rate 4.21%	1.00% Increase 5.21%
Total OPEB liability	<u>\$ 279,976</u>	<u>\$299,052</u>	<u>\$319,935</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.5%) or 1-percentage-point higher (5.5%) than the current healthcare trend rates:

	1.00% Decrease 3.5%	Current Trend Rate 4.5%	1.00% Increase 5.5%
Total OPEB liability	<u>\$ 272,929</u>	<u>\$ 299,052</u>	<u>\$ 330,543</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB benefit of \$6,167. As of June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 104,718
Changes of assumptions	2,909	22,372
Net differences between projected and actual investments	-	-
Total	<u>\$ 2,909</u>	<u>\$ 127,090</u>

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

Year Ended June 30,	
2025	\$ (32,293)
2026	(35,204)
2027	(35,204)
2028	(13,344)
2029	(7,543)
Thereafter	(593)
	<u>\$ (124,181)</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2024:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 773,462	\$ 132,360
Capital Projects Funds	-	50,247
Enterprise Fund:		
Utility Fund	131,318	723,215
Nonmajor Funds	<u>1,042</u>	<u>-</u>
Total	<u>\$ 905,822</u>	<u>\$ 905,822</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances are expected to be paid within the next fiscal year.

B. Interfund transfers

Interfund transfers consisted of the following at June 30, 2024:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 1,475,000	\$ 259,442
Enterprise Fund:		
Utility Fund	9,442	1,475,000
Nonmajor Funds	<u>250,000</u>	<u>-</u>
Total	<u>\$ 1,734,442</u>	<u>\$ 1,734,442</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(12) Dedication of Sales Tax Revenues

On June 25, 1975, the voters of the City of St. Martinville approved a one percent (1%) sales and use tax.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

On May 5, 2007, the voters of the City of St. Martinville approved a one percent (1%) sales and use tax.

On November 6, 2012, the voters of the City of St. Martinville approved a rededication of all proceeds heretofore and hereafter received. Such proceeds (after paying the reasonable and necessary costs and expenses of collecting and administering the sales taxes) may be used for any lawful corporate purpose of the City, including, but not limited to, establishing, acquiring, constructing, improving, maintaining and/or operating the City's waterworks plant and system, solid waste disposal facilities, sewers and sewerage disposal works, drains and drainage facilities, streets, bridges and sidewalks, electric transmission and distribution system, public buildings and recreational facilities within the City, including the necessary land, equipment and furnishings therefore, and the City shall be further authorized to fund the proceeds of the Sales Taxes into bonds from time to time for any one or more capital purposes, to the extent and in the manner permitted by the laws of Louisiana.

On December 4, 2023, the voters of the City of St. Martinville approved a one-half percent (1/2%) sales and use tax to begin April 1, 2024. Such proceeds (after paying the reasonable and necessary costs and expenses of collecting and administering the sales taxes) may be used for any lawful corporate purpose of the City, including, but not limited to, establishing, acquiring, constructing, improving, maintaining and/or operating the City's waterworks plant and system, solid waste disposal facilities, sewers and sewerage disposal works, drains and drainage facilities, streets, bridges and sidewalks, electric transmission and distribution system, public buildings and recreational facilities within the City, including the necessary land, equipment and furnishings therefore, and the City shall be further authorized to fund the proceeds of the Sales Taxes into bonds from time to time for any one or more capital purposes, to the extent and in the manner permitted by the laws of Louisiana.

Sales and use tax revenues for the fiscal year ended June 30, 2024 were \$2,143,891. Proceeds from the taxes and all reasonable and necessary costs and expenses of collecting the taxes are recorded in the General Fund.

(13) Ad Valorem Taxes

For the year ended June 30, 2024, taxes of 8.74 mills were levied on property with assessed valuations totaling \$24,435,825 and were dedicated as follows:

General alimony	4.02 mills
Public improvement bonds	4.72 mills

Total taxes levied for the year ended June 30, 2024 were \$213,569. The taxes are levied and assessed in June of each year. Tax bills are mailed in November, due on December 31, and are delinquent if unpaid as of January 1.

(14) Contracts

The City has a long-term contract with The Louisiana Energy and Power Authority to provide the City's power and energy requirements. The agreement commenced on January 1, 2023 and will expire on December 31, 2027 incurring an initial monthly demand rate of \$7.75 per kw in addition to other demand and energy cost factors. During the year ended June 30, 2024, the City purchased power from The Louisiana Energy and Power Authority in the amount of \$3,033,002 which \$301,283 was payable at year end. This amount has been accrued in the accompanying financial statements.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(15) Fair Value Measurements

Professional standards require the disclosure for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b. Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- c. Level 3 inputs are unobservable inputs for the asset or liability.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2024:

Description	Total	Level 1	Level 2	Level 3
Mutual Funds:				
Fixed Income	\$201,430	\$ -	\$201,430	\$ -

(16) Compensation of City Council

The compensation paid to the council members for the year ended June 30, 2024 follows:

Carol Frederick	\$ 9,167
Janise Anthony	9,167
Mike Fusilier	9,167
Jonas Fontenette	9,167
Forita Chatman	9,167
Total	<u>\$ 45,835</u>

(17) Risk Management

The City is exposed to risks of loss in the areas of general and auto liability, property hazards, health care, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year, nor have settlements exceeded coverage in the past three years.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(18) On-behalf Payments

The City has recognized \$96,159 as a revenue and an expenditure for on-behalf salary payments made by the state of Louisiana.

(19) Contingencies

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representative. The City's management believes that any liability for reimbursement which may arise as a result of these audits would not be material.

At June 30, 2024, the City is a defendant in various lawsuits. Although the outcome of the lawsuit is not presently determinable, in the opinion of the City's attorney, any judgements rendered in favor of the plaintiff or payments resulting from compromise settlements, if any, will be within the limits of the various insurance coverages carried by the City. The pending lawsuits are not related to any projects funded by the Louisiana Department of Environmental Quality.

(20) Tax Abatements

The City is subject to tax abatements granted by the Louisiana Board of Commerce and Energy. The program has a purpose of increasing business activity and employment in the City. Under the program, companies commit to expand or maintain facilities or employment, establish a new business, or relocate an existing business to the City. Agreements include an abatement of ad valorem taxes for a period of 10 years from the initial assessment period. These abatements result in a reduction of property taxes. At June 30, 2024, the City's ad valorem taxes were reduced by \$4,196 for industrial exemptions in effect.

(21) Act 706 – Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to the Mayor for the year ended June 30, 2024 is as follows:

Jason Willis, Mayor

Salary	\$ 57,879
Benefits - insurance	532
Benefits - retirement	8,971
Car allowance	10,800
Conference fees	460
Conference travel	789
Total	<u>\$ 79,431</u>

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF ST. MARTINVILLE, LOUISIANA

General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$2,170,275	\$2,171,781	\$2,280,772	\$ 108,991
Licenses and permits	340,000	274,989	349,382	74,393
Intergovernmental	614,000	1,393,464	1,366,140	(27,324)
Charges for services	64,050	50,247	54,374	4,127
Fines and forfeitures	200,000	145,641	122,711	(22,930)
Miscellaneous income	181,000	198,774	302,531	103,757
Total revenues	<u>3,569,325</u>	<u>4,234,896</u>	<u>4,475,910</u>	<u>241,014</u>
Expenditures:				
Current -				
General government	1,221,123	1,272,856	1,336,310	(63,454)
Public safety	1,938,844	1,939,594	1,929,993	9,601
Public works	1,227,206	1,227,206	1,281,322	(54,116)
Recreation	236,330	234,280	245,672	(11,392)
Tourism	94,462	96,512	96,498	14
Capital outlay	155,000	1,202,979	1,292,701	(89,722)
Debt service	-	93,418	105,012	(11,594)
Total expenditures	<u>4,872,965</u>	<u>6,066,845</u>	<u>6,287,508</u>	<u>(220,663)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,303,640)</u>	<u>(1,831,949)</u>	<u>(1,811,598)</u>	<u>20,351</u>
Other financing sources (uses):				
Issuance of long-term debt	-	272,340	272,340	-
Transfers in	1,500,000	1,500,000	1,465,558	(34,442)
Transfers out	<u>(605,000)</u>	<u>(300,000)</u>	<u>(250,000)</u>	<u>50,000</u>
Total other financing sources (uses)	<u>895,000</u>	<u>1,472,340</u>	<u>1,487,898</u>	<u>15,558</u>
Net change in fund balance	(408,640)	(359,609)	(323,700)	35,909
Fund balance, beginning	<u>2,811,306</u>	<u>2,811,306</u>	<u>2,811,306</u>	<u>-</u>
Fund balance, ending	<u>\$2,402,666</u>	<u>\$2,451,697</u>	<u>\$2,487,606</u>	<u>\$ 35,909</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 44,784	\$ 44,784	\$ 46,285	\$ 46,285	\$ 27,433	\$ 27,433	\$ 26,408
Interest	12,336	11,254	10,034	9,388	14,592	13,165	13,751
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(33,059)	-	(149,154)	-	-	-	-
Changes of assumptions	(12,790)	-	(22,615)	-	21,556	-	-
Benefit payments and net transfers	<u>(31,813)</u>	<u>(19,152)</u>	<u>(19,152)</u>	<u>(33,722)</u>	<u>(33,722)</u>	<u>(28,830)</u>	<u>(28,830)</u>
Net changes	(20,542)	36,886	(134,602)	21,951	29,859	11,768	11,329
Total OPEB liability - beginning	<u>319,594</u>	<u>282,708</u>	<u>417,310</u>	<u>395,359</u>	<u>365,500</u>	<u>353,732</u>	<u>342,403</u>
Total OPEB liability - ending	<u>\$ 299,052</u>	<u>\$ 319,594</u>	<u>\$ 282,708</u>	<u>\$ 417,310</u>	<u>\$ 395,359</u>	<u>\$ 365,500</u>	<u>\$ 353,732</u>
Covered employee payroll	\$ 2,434,338	\$ 1,935,852	\$ 1,935,852	\$ 2,029,798	\$ 2,029,798	\$ 1,790,083	\$ 1,790,083
Total OPEB liability as a percentage of covered-employee payroll	12.28%	16.51%	14.60%	20.56%	19.48%	20.42%	19.76%

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

CITY OF ST. MARTINVILLE

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2024*

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees Retirement System					
2024	1.70961%	\$ 1,370,871	\$ 1,415,548	96.8%	73.25%
2023	1.61970%	1,422,069	1,295,019	109.8%	69.56%
2022	1.80915%	1,048,057	1,447,703	72.4%	79.14%
2021	1.66149%	1,505,687	1,289,621	116.8%	66.26%
2020	1.54611%	1,352,561	1,183,320	114.3%	65.60%
2019	1.74236%	1,473,742	1,291,227	114.1%	65.60%
2018	1.85732%	1,607,017	1,378,305	116.6%	63.49%
2017	1.79651%	1,489,139	1,319,904	112.8%	63.34%
2016	1.76133%	1,197,084	1,230,739	97.3%	68.71%
2015	1.72688%	810,765	1,204,589	67.3%	76.94%
Municipal Police Employees Retirement System					
2024	0.09722%	\$ 1,027,105	\$ 332,064	309.3%	71.30%
2023	0.11417%	1,167,030	357,775	326.2%	70.80%
2022	0.05918%	315,456	195,813	161.1%	84.09%
2021	0.07124%	658,405	215,366	305.7%	70.94%
2020	0.04544%	412,708	141,916	290.8%	71.01%
2019	0.05049%	426,854	149,005	286.5%	71.89%
2018	0.07106%	620,349	212,125	292.4%	70.08%
2017	0.07828%	733,667	219,269	334.6%	66.04%
2016	0.04933%	386,425	141,570	273.0%	70.73%
2015	0.06298%	394,921	174,883	225.8%	75.10%

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

This schedule is intended to show information for 10 years.

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Employer Pension Contributions
For the Year Ended June 30, 2024

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Municipal Employees Retirement System					
2024	\$ 288,610	\$ 288,610	\$ -	\$ 1,415,548	20.39%
2023	219,410	219,410	-	1,415,548	15.50%
2022	200,728	200,728	-	1,295,019	15.50%
2021	224,394	224,394	-	1,447,703	15.50%
2020	180,547	180,547	-	1,289,621	14.00%
2019	164,802	165,665	-	1,183,320	14.00%
2018	171,088	171,088	-	1,291,227	13.25%
2017	151,648	151,648	-	1,378,305	11.00%
2016	125,391	125,391	-	1,319,904	9.50%
2015	116,920	116,920	-	1,230,739	9.50%
Municipal Police Employees Retirement System					
2024	\$ 98,477	\$ 98,477	\$ -	\$ 315,126	31.25%
2023	103,770	103,770	-	332,064	31.25%
2022	106,438	106,438	-	357,775	29.75%
2021	66,087	66,087	-	195,813	33.75%
2020	69,994	69,994	-	215,366	32.50%
2019	45,768	45,768	-	141,916	32.25%
2018	45,819	45,819	-	149,005	30.75%
2017	67,350	67,350	-	212,125	31.75%
2016	64,684	64,684	-	219,269	29.50%
2015	44,595	44,595	-	141,570	31.50%

This schedule is intended to show information for 10 years.

CITY OF ST. MARTINVILLE

Notes to the Required Supplementary Information For the Year Ended June 30, 2024

(1) Budget and Budgetary Accounting

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

- a) The Mayor submits, no later than 15 days prior to the beginning of each fiscal year, to the City Council a proposed operating budget.
- b) A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- e) 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 the approval of the Mayor.
- f) All budgetary appropriations lapse at the end of each fiscal year.
- g) Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the City Council.

(2) Excess Expenditures Over Appropriations

For the year ended June 30, 2024, the General Fund had actual expenditures over appropriations as follows:

	Final Budget	Actual	Excess
General government	\$ 1,272,856	\$ 1,336,310	\$ (63,454)
Public works	1,227,206	1,281,322	(54,116)
Recreation	234,280	245,672	(11,392)
Capital outlay	1,202,979	1,292,701	(89,722)
Debt service	93,418	105,012	(11,594)

CITY OF ST. MARTINVILLE

Notes to the Required Supplementary Information (Continued) For the Year Ended June 30, 2024

(3) Pension Plans

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plans.

(4) Other Postemployment Benefits

- a) Benefit changes – There were no changes of benefit terms.
- b) Changes of assumptions – There were no changes in assumptions.

OTHER SUPPLEMENTARY INFORMATION

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Net Position
June 30, 2024
With Comparative Totals as of June 30, 2023

	2024			2023
	Governmental Activities	Business-Type Activities	Total	Totals
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 929,626	\$ 303,127	\$ 1,232,753	\$ 3,044,717
Investments	1,025,024	286,522	1,311,546	241,741
Receivables, net	220,018	1,269,033	1,489,051	1,452,996
Internal balances	591,897	(591,897)	-	-
Due from other governmental units	344,215	-	344,215	340,282
Inventories	-	282,052	282,052	265,546
Prepaid items	106,877	16,796	123,673	124,224
Deposits	-	12,000	12,000	12,000
Total current assets	<u>3,217,657</u>	<u>1,577,633</u>	<u>4,795,290</u>	<u>5,481,506</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	-	335,289	335,289	66,726
Investments	-	36,972	36,972	297,988
Capital assets -				
Land and construction in progress	847,362	882,679	1,730,041	1,318,138
Capital assets, net	6,824,117	8,419,132	15,243,249	14,974,861
Total noncurrent assets	<u>7,671,479</u>	<u>9,674,072</u>	<u>17,345,551</u>	<u>16,657,713</u>
Total assets	<u>10,889,136</u>	<u>11,251,705</u>	<u>22,140,841</u>	<u>22,139,219</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	786,760	248,750	1,035,510	1,257,768
Deferred outflows related to postemployment benefits	2,327	582	2,909	6,638
Total deferred outflows of resources	<u>789,087</u>	<u>249,332</u>	<u>1,038,419</u>	<u>1,264,406</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries, and other payables	245,988	568,123	814,111	792,119
Compensated absences payable	17,622	-	17,622	18,221
Unearned revenue	34,215	-	34,215	-
Customer deposits	8,935	372,261	381,196	370,474
Leases payable	7,994	59,435	67,429	27,816
Note payable	78,327	18,757	97,084	105,627
Bonds payable	172,000	-	172,000	426,000
Accrued interest	11,100	-	11,100	12,353
Total current liabilities	<u>576,181</u>	<u>1,018,576</u>	<u>1,594,757</u>	<u>1,752,610</u>
Noncurrent liabilities:				
Compensated absences payable	71,932	-	71,932	125,813
Leases payable	32,775	208,971	241,746	134,929
Note payable	166,972	5,573	172,545	70,227
Bonds payable	1,607,013	-	1,607,013	1,731,973
Net pension liability	1,753,594	644,382	2,397,976	2,589,099
Postemployment benefit obligation payable	228,687	70,365	299,052	319,594
Total noncurrent liabilities	<u>3,860,973</u>	<u>929,291</u>	<u>4,790,264</u>	<u>4,971,635</u>
Total liabilities	<u>4,437,154</u>	<u>1,947,867</u>	<u>6,385,021</u>	<u>6,724,245</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	154,635	22,083	176,718	180,572
Deferred outflows related to postemployment benefits	97,186	29,904	127,090	116,445
	<u>251,821</u>	<u>51,987</u>	<u>303,808</u>	<u>297,017</u>
NET POSITION				
Net investment in capital assets	5,985,598	9,009,075	14,994,673	14,257,657
Restricted:				
Purpose of grantor	52,773	-	52,773	41,509
Capital projects	372,581	-	372,581	465,905
Debt service	15,559	-	15,559	82,710
Unrestricted	562,737	492,108	1,054,845	1,534,582
Total net position	<u>\$ 6,989,248</u>	<u>\$ 9,501,183</u>	<u>\$ 16,490,431</u>	<u>\$ 16,382,363</u>

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2024
With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			Variance with Final Budget	2023
	Budget			Positive	Actual
	Original	Final	Actual	(Negative)	
Revenues:					
Taxes -					
Ad valorem	\$ 97,000	\$ 98,760	\$ 99,379	\$ 619	\$ 101,448
Payments in lieu of taxes	40,925	40,925	37,502	(3,423)	38,894
Sales	2,032,350	2,032,096	2,143,891	111,795	2,017,544
Total taxes	2,170,275	2,171,781	2,280,772	108,991	2,157,886
Licenses and permits -					
Occupational and liquor licenses	120,000	162,515	231,482	68,967	234,813
Franchise, fees, and permits	220,000	112,474	117,900	5,426	125,345
Total licenses and permits	340,000	274,989	349,382	74,393	360,158
Intergovernmental -					
Federal and state grants	40,000	872,258	911,249	38,991	410,730
State revenue sharing	1,000	-	-	-	993
Beer tax	14,000	11,654	12,212	558	14,690
Video poker/Off track betting	415,000	416,693	346,520	(70,173)	419,636
On behalf payments	144,000	92,859	96,159	3,300	95,293
Total intergovernmental	614,000	1,393,464	1,366,140	(27,324)	941,342
Charges for services -					
Grass cutting fees	7,250	8,393	11,137	2,744	10,789
Recreation	41,800	29,269	30,294	1,025	46,189
Tourism center	15,000	12,585	12,943	358	12,887
Total charges for services	64,050	50,247	54,374	4,127	69,865
Fines and forfeits	200,000	145,641	122,711	(22,930)	196,397
Miscellaneous -					
Sale of assets	70,000	625	14,580	13,955	166,834
Interest	5,000	19,944	33,729	13,785	11,901
Other	106,000	178,205	254,222	76,017	228,654
Total miscellaneous	181,000	198,774	302,531	103,757	407,389
Total revenues	\$3,569,325	\$4,234,896	\$4,475,910	\$ 241,014	\$4,133,037

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2024
With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			Variance with	
	Budget			Final Budget	
	Original	Final	Actual	Positive (Negative)	2023 Actual
Current:					
General government -					
Mayor and council salaries	\$ 103,716	\$ 104,536	\$ 104,493	\$ 43	\$ 100,089
Other salaries and wages	443,718	407,090	426,719	(19,629)	305,563
Retirement	55,496	63,746	64,786	(1,040)	44,087
Group insurance	43,720	67,367	69,531	(2,164)	41,011
Payroll taxes	39,260	34,929	36,305	(1,376)	29,301
Workers compensation	6,420	5,176	6,280	(1,104)	3,266
Auto allowance	10,800	10,800	10,800	-	9,000
Contract labor	68,002	61,000	61,000	-	46,000
Equipment	-	1,999	1,779	220	7,741
Insurance	126,721	145,362	151,251	(5,889)	113,029
Office supplies and postage	19,360	30,348	26,396	3,952	17,751
Advertising	8,884	15,275	18,276	(3,001)	8,197
Dues	1,624	1,414	1,414	-	1,874
Legal and professional fees	100,000	118,231	129,399	(11,168)	115,269
Magistrate	18,000	18,000	18,000	-	15,000
Travel and conferences	9,500	8,021	11,646	(3,625)	6,213
Fuel	6,000	2,434	1,939	495	4,589
Indigent defendants cost	60,000	22,340	21,420	920	51,048
Telephone	11,100	19,317	19,840	(523)	12,168
Utilities	-	3,614	3,515	99	-
Technology	7,516	35,844	34,303	1,541	3,737
Repairs and maintenance	5,000	13,643	25,189	(11,546)	56,280
Collection expense	31,886	32,629	37,309	(4,680)	33,538
Contribution - SMEDA	14,000	14,000	14,000	-	14,000
Inspection fees	25,000	23,912	26,921	(3,009)	19,752
Election expense	-	686	686	-	-
Miscellaneous	5,400	11,143	13,113	(1,970)	29,850
Total general government	1,221,123	1,272,856	1,336,310	(63,454)	1,112,855
Public safety -					
Salaries	869,113	869,113	883,517	(14,404)	1,020,863
Retirement	90,860	90,860	98,477	(7,617)	103,890
Group insurance	133,124	133,124	137,563	(4,439)	158,137
Payroll taxes	65,254	65,254	66,363	(1,109)	82,182
Workman's comp	57,432	57,432	59,333	(1,901)	64,457
Insurance	142,821	142,821	161,743	(18,922)	163,619

(continued)

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2024
With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024				
	Budget			Variance with Final Budget	2023
	Original	Final	Actual	Positive (Negative)	Actual
Public safety (continued) -					
Claim Payments	26,367	26,367	44,980	(18,613)	9,943
Collection expense	34,045	34,045	31,007	3,038	18,932
Contract labor	140,000	140,000	139,999	1	1,500
Supplies	59,153	59,153	28,398	30,755	37,362
Telephone	74,404	74,404	56,648	17,756	95,474
Technology	49,818	49,818	42,936	6,882	6,256
Advertising	-	-	-	-	4,000
Dues and subscriptions	3,930	3,930	4,986	(1,056)	4,483
Legal and professional fees	1,584	1,584	1,804	(220)	263
Training	7,387	7,387	9,150	(1,763)	5,901
Prisoner expense	750	750	750	-	102,524
Travel and conferences	1,484	1,484	1,694	(210)	5,352
Fuel	62,897	62,897	60,320	2,577	76,872
Repairs and maintenance	69,757	69,757	52,491	17,266	73,312
Drug testing	1,788	1,788	2,041	(253)	5,279
Uniforms	6,236	6,236	9,700	(3,464)	18,168
Miscellaneous	40,640	41,390	36,093	5,297	11,214
Total public safety	<u>1,938,844</u>	<u>1,939,594</u>	<u>1,929,993</u>	<u>9,601</u>	<u>2,094,803</u>
Public works -					
Salaries	558,528	558,528	572,105	(13,577)	455,529
Retirement	74,692	74,692	75,312	(620)	56,652
Group insurance	95,097	95,097	95,555	(458)	74,456
Workman's comp	52,830	52,830	53,328	(498)	45,961
Payroll taxes	41,791	41,791	43,117	(1,326)	35,967
Contract labor	74,000	74,000	74,900	(900)	81,295
Claim payments	7,124	7,124	7,124	-	11,888
Insurance	78,699	78,699	85,937	(7,238)	69,506
Supplies	71,788	71,788	73,327	(1,539)	54,463
Legal and professional fees	2,245	2,245	4,611	(2,366)	517
Telephone and postage	11,456	11,456	12,452	(996)	12,611
Technology	2,901	2,901	2,403	498	1,178
Auto and truck expenses	36,717	66,664	83,173	(16,509)	32,307
Repairs and maintenance	106,007	76,060	83,705	(7,645)	91,610
Street repairs and maintenance	-	-	-	-	1,931
Miscellaneous	1,487	1,487	2,569	(1,082)	1,858
Dog pound	-	-	-	-	14,220
Waste collection	8,593	8,593	8,206	387	8,201
Uniforms	3,251	3,251	3,498	(247)	4,063
Total public works	<u>1,227,206</u>	<u>1,227,206</u>	<u>1,281,322</u>	<u>(54,116)</u>	<u>1,054,213</u>

(continued)

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2024
With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			Variance with Final Budget	
	Budget			Positive (Negative)	2023 Actual
	Original	Final	Actual		
Recreation -					
Salaries	117,179	120,979	119,937	1,042	97,969
Retirement	11,375	11,375	11,153	222	6,012
Group insurance	3,496	3,496	4,811	(1,315)	177
Payroll taxes	8,993	8,993	9,241	(248)	7,619
Insurance	26,649	26,649	26,953	(304)	22,846
Workman's comp	8,685	8,685	9,117	(432)	5,179
Auto	-	90	89	1	-
Supplies	25,834	25,834	33,765	(7,931)	29,381
Legal and professional fees	1,700	1,700	850	850	-
Claim payments	355	355	355	-	10,390
Fuel	4,759	4,759	4,941	(182)	1,663
Utilities and telephone	8,872	8,872	8,527	345	8,199
Repairs and maintenance	6,509	4,369	4,025	344	10,074
Garbage collection	3,972	3,972	4,230	(258)	2,156
Uniforms	271	271	271	-	496
Travel	173	173	173	-	-
Miscellaneous	7,508	3,708	7,234	(3,526)	5,472
Total recreation	236,330	234,280	245,672	(11,392)	207,633
Tourism -					
Salaries	57,744	55,289	55,157	132	33,500
Group insurance	140	140	133	7	44
Payroll taxes	5,968	4,254	4,269	(15)	2,535
Economic development	2,100	2,100	1,697	403	713
Workman's comp	-	2,817	3,097	(280)	656
Supplies	5,874	6,374	6,298	76	7,346
Repairs and maintenance	11,378	12,378	12,456	(78)	12,671
Utilities and telephone	7,179	7,729	7,556	173	8,020
Miscellaneous	3,710	5,062	4,811	251	4,643
Travel and conferences	369	369	1,024	(655)	376
Total tourism	94,462	96,512	96,498	14	70,504
Capital outlay	155,000	1,202,979	1,292,701	(89,722)	220,452
Debt service:					
Principal retirement	-	81,159	85,721	(4,562)	106,461
Interest	-	12,259	19,291	(7,032)	12,688
Total debt service	-	93,418	105,012	(11,594)	119,149
Total expenditures	\$ 4,872,965	\$ 6,066,845	\$ 6,287,508	\$ (220,663)	\$ 4,879,609

CITY OF ST. MARTINVILLE, LOUISIANA
Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2024
With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024		Variance with Final Budget Positive (Negative)	2023 Actual
	Budget	Actual		
Revenues:				
Intergovernmental -				
State grants	\$ -	\$ -	\$ -	\$ 59,461
Miscellaneous	515	433	(82)	261
Total revenues	<u>515</u>	<u>433</u>	<u>(82)</u>	<u>59,722</u>
Expenditures:				
General government -				
Unclaimed grant funds	14,000	13,543	457	-
Legal and professional fees	2,349	1,790	559	2,632
	<u>16,349</u>	<u>15,333</u>	<u>1,016</u>	<u>2,632</u>
Recreation -				
Supplies	<u>75</u>	<u>72</u>	<u>3</u>	<u>2,206</u>
Capital outlay -				
Recreation	182,472	68,332	114,140	181,525
Sewer improvements	-	-	-	19,618
Streets and drainage	10,020	10,020	-	12,389
Total capital outlay	<u>192,492</u>	<u>78,352</u>	<u>114,140</u>	<u>213,532</u>
Total expenditures	<u>208,916</u>	<u>93,757</u>	<u>115,159</u>	<u>218,370</u>
Net change in fund balance	(208,401)	(93,324)	115,077	(158,648)
Fund balance, beginning	<u>465,905</u>	<u>465,905</u>	-	<u>624,553</u>
Fund balance, ending	<u>\$ 257,504</u>	<u>\$ 372,581</u>	<u>\$ 115,077</u>	<u>\$ 465,905</u>

NON MAJOR GOVERNMENTAL FUND DESCRIPTIONS

SECTION 8 FUND

To account for the receipt and subsequent expenditure of Section 8 housing funds received from the federal government.

DEBT SERVICE FUND

To account for the accumulation of resources for the payment of general obligation bonds, street improvement refunding bonds, and sales tax bonds. Financing is provided by ad valorem and sales taxes.

CITY OF ST. MARTINVILLE, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2024

	Section 8 Fund	2008 Debt Service Fund	Total
ASSETS			
Cash	\$ 53,297	\$ 18,925	\$ 72,222
Due from other funds	<u>-</u>	<u>1,042</u>	<u>1,042</u>
Total assets	<u>\$ 53,297</u>	<u>\$ 19,967</u>	<u>\$ 73,264</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 200	\$ 4,408	\$ 4,608
Accrued expenses	<u>324</u>	<u>-</u>	<u>324</u>
Total liabilities	<u>524</u>	<u>4,408</u>	<u>4,932</u>
Fund balances:			
Restricted	<u>52,773</u>	<u>15,559</u>	<u>68,332</u>
Total liabilities and fund balances	<u>\$ 53,297</u>	<u>\$ 19,967</u>	<u>\$ 73,264</u>

CITY OF ST. MARTINVILLE, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
For the Year Ended June 30, 2024

	Section 8 Fund	2008 Debt Service Fund	Total
Revenues:			
Ad valorem taxes	\$ -	\$ 116,681	\$ 116,681
Federal grants	434,726	-	434,726
Miscellaneous	<u>25</u>	<u>37</u>	<u>62</u>
Total revenues	<u>434,751</u>	<u>116,718</u>	<u>551,469</u>
Expenditures:			
Current -			
General government	-	9,503	9,503
Urban redevelopment and housing	423,487	-	423,487
Debt service	<u>-</u>	<u>424,366</u>	<u>424,366</u>
Total expenditures	<u>423,487</u>	<u>433,869</u>	<u>857,356</u>
Excess (deficiency) of revenues over expenditures	11,264	(317,151)	(305,887)
Other financing sources:			
Transfers in	<u>-</u>	<u>250,000</u>	<u>250,000</u>
Net changes in fund balances	11,264	(67,151)	(55,887)
Fund balances, beginning	<u>41,509</u>	<u>82,710</u>	<u>124,219</u>
Fund balances, ending	<u>\$ 52,773</u>	<u>\$ 15,559</u>	<u>\$ 68,332</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Comparative Statement of Net Position
Enterprise Fund
June 30, 2024 and 2023

	Utility Fund	
	2024	2023
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 303,127	\$ 357,510
Investments	286,522	236,249
Receivables:		
Accounts	1,269,033	1,256,617
Other	-	110,114
Due from other funds	131,318	272,936
Inventory	282,052	265,546
Prepaid items	16,796	17,817
Deposits	12,000	12,000
Total current assets	<u>2,300,848</u>	<u>2,528,789</u>
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing deposits	335,289	66,726
Investments	36,972	297,988
Capital assets -		
Land and construction in progress	882,679	497,370
Other capital assets, net of accumulated depreciation	<u>8,419,132</u>	<u>8,657,725</u>
Total noncurrent assets	<u>9,674,072</u>	<u>9,519,809</u>
Total assets	<u>11,974,920</u>	<u>12,048,598</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	248,750	265,805
Deferred outflows related to postemployment benefits	<u>582</u>	<u>1,328</u>
Total deferred outflows of resources	<u>249,332</u>	<u>267,133</u>
LIABILITIES		
Current liabilities:		
Accounts, salaries, and other payables	568,123	538,703
Compensated absences	-	2,437
Due to other funds	723,215	707,889
Leases payable	59,435	27,816
Note payable	18,757	17,450
Customer deposits	<u>372,261</u>	<u>364,714</u>
Total current liabilities	<u>1,741,791</u>	<u>1,659,009</u>
Noncurrent liabilities:		
Compensated absences	-	23,780
Leases payable	208,971	134,929
Note payable	5,573	26,372
Net pension liability	644,382	694,737
Postemployment benefit obligation payable	<u>70,365</u>	<u>72,361</u>
Total noncurrent liabilities	<u>929,291</u>	<u>952,179</u>
Total liabilities	<u>2,671,082</u>	<u>2,611,188</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	22,083	54,274
Deferred inflows related to postemployment benefits	<u>29,904</u>	<u>26,365</u>
	<u>51,987</u>	<u>80,639</u>
NET POSITION		
Net investment in capital assets	9,009,075	8,948,528
Unrestricted	<u>492,108</u>	<u>675,376</u>
Total net position	<u>\$ 9,501,183</u>	<u>\$ 9,623,904</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Fund
For the Years Ended June 30, 2024 and 2023

	Utility Fund	
	2024	2023
Operating revenues:		
Charges for services -		
Electric	\$ 5,196,884	\$ 5,187,331
Water	936,494	1,028,059
Wastewater	884,307	925,935
Garbage	630,085	550,082
Permits, reconnections and penalties	87,459	133,877
Total operating revenues	<u>7,735,229</u>	<u>7,825,284</u>
Operating expenses:		
Electric	4,117,970	3,753,252
Water	809,968	733,873
Wastewater	981,377	963,148
Garbage	611,372	504,743
Total operating expenses	<u>6,520,687</u>	<u>5,955,016</u>
Operating income	<u>1,214,542</u>	<u>1,870,268</u>
Nonoperating revenues (expenses):		
Investment income	48,129	8,773
Interest expense	(25,432)	(4,545)
Sale of assets	30,000	-
Nonemployer contribution revenue	25,598	22,995
Total nonoperating revenues (expenses)	<u>78,295</u>	<u>27,223</u>
Income before capital contributions and transfers	1,292,837	1,897,491
Capital Contributions	50,000	39,609
Transfers out	<u>(1,465,558)</u>	<u>(1,353,951)</u>
Change in net position	(122,721)	583,149
Net position, beginning	<u>9,623,904</u>	<u>9,040,755</u>
Net position, ending	<u>\$ 9,501,183</u>	<u>\$ 9,623,904</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Enterprise Fund

Utility Fund

Comparative Departmental Statement of Revenues and Expenses

For the Years Ended June 30, 2024 and 2023

	Totals		Electric	
	2024	2023	2024	2023
Operating revenues:				
Customers service charges	\$ 7,647,770	\$ 7,691,407	\$ 5,196,884	\$ 5,187,331
Permits, reconnections and penalties	87,459	133,877	87,459	133,877
Total operating revenues	<u>7,735,229</u>	<u>7,825,284</u>	<u>5,284,343</u>	<u>5,321,208</u>
Operating expenses:				
Salaries	1,047,767	902,910	353,428	267,907
Retirement	95,769	223,018	31,697	65,427
Payroll taxes	82,074	70,836	27,158	21,095
Group insurance	159,667	142,009	44,054	33,386
Worker's comp	59,603	50,705	13,276	10,876
Power purchased	3,033,002	2,798,733	3,033,002	2,798,733
State mandated water fee	31,254	37,550	-	-
Maintenance and supplies	224,296	217,755	90,865	40,874
Chemicals	81,631	76,200	-	-
Fuel	58,518	65,363	20,700	21,893
Depreciation expense	416,385	348,042	38,807	28,952
Utilities	125,438	100,476	4,739	3,887
Telephone	10,899	15,095	1,459	1,283
Truck operation	820	1,780	117	-
Office supplies and postage	40,010	30,725	1,322	-
Bad debts	99,127	25,428	-	-
Insurance	95,461	106,819	45,433	48,294
Miscellaneous	20,343	19,025	2,802	847
Professional fees	132,804	135,441	-	13,657
Uniforms	4,804	2,162	2,980	823
Travel	80	2,132	-	-
Contractual services	700,935	582,812	81,179	106,946
Allocation of general and administrative expense	-	-	324,952	288,372
Total operating expenses	<u>6,520,687</u>	<u>5,955,016</u>	<u>4,117,970</u>	<u>3,753,252</u>
Net operating income (loss)	<u>\$ 1,214,542</u>	<u>\$ 1,870,268</u>	<u>\$ 1,166,373</u>	<u>\$ 1,567,956</u>

CITY OF ST. MARTINVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Statement of Revenues and Expenses
For the Years Ended June 30, 2024 and 2023

Water		Wastewater		Garbage		Administrative	
2024	2023	2024	2023	2024	2023	2024	2023
\$ 936,494	\$1,028,059	\$ 884,307	\$ 925,935	\$630,085	\$ 550,082	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>936,494</u>	<u>1,028,059</u>	<u>884,307</u>	<u>925,935</u>	<u>630,085</u>	<u>550,082</u>	<u>-</u>	<u>-</u>
265,023	217,774	266,556	269,811	3,000	-	159,760	147,418
24,025	49,371	24,097	67,249	278	-	15,672	40,971
20,173	17,128	22,347	21,400	-	-	12,396	11,213
34,613	34,451	48,109	44,275	-	-	32,891	29,897
22,316	17,704	23,429	21,641	11	-	571	484
-	-	-	-	-	-	-	-
31,254	37,550	-	-	-	-	-	-
50,767	37,424	81,080	74,440	-	-	1,584	65,017
39,352	36,475	42,279	39,725	-	-	-	-
18,117	19,191	19,701	24,279	-	-	-	-
78,789	75,678	294,329	243,412	-	-	4,460	-
106,757	81,088	13,942	15,501	-	-	-	-
3,001	6,780	1,759	2,596	-	-	4,680	4,436
703	21	-	1,759	-	-	-	-
224	-	442	-	-	-	38,022	30,725
-	-	-	-	-	-	99,127	25,428
35,645	38,224	5,739	7,144	-	-	8,644	13,157
803	939	459	10,485	-	-	16,279	6,754
2,145	2,823	79,056	66,884	-	-	51,603	52,077
941	266	519	1,073	-	-	364	-
-	2,132	80	-	-	-	-	-
16,763	1,703	2,160	-	568,685	474,163	32,148	-
<u>58,557</u>	<u>57,151</u>	<u>55,294</u>	<u>51,474</u>	<u>39,398</u>	<u>30,580</u>	<u>(478,201)</u>	<u>(427,577)</u>
<u>809,968</u>	<u>733,873</u>	<u>981,377</u>	<u>963,148</u>	<u>611,372</u>	<u>504,743</u>	<u>-</u>	<u>-</u>
<u>\$ 126,526</u>	<u>\$ 294,186</u>	<u>\$ (97,070)</u>	<u>\$ (37,213)</u>	<u>\$ 18,713</u>	<u>\$ 45,339</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Justice System Funding Schedule - Collecting/Disbursing Entity
As required by Act 87 of the 2020 Regular Legislative Session
June 30, 2024

	First Six Month Period Ended 12/31/2023	Second Six Month Period Ended 6/30/2024
Beginning Balance of Amounts Collected	\$ 9,793	\$ 1,438
Add: Collections -		
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	26,346	19,669
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	<u>26,346</u>	<u>19,669</u>
Less: Disbursements to Governments and Nonprofits -		
Acadiana Criminalistics Lab/Criminal Fines - Other	4,300	2,480
Louisiana State Treasurer CMIS/Criminal Fines - Other	5,950	3,416
St Martin Crime Stoppers/Criminal Fines - Other	340	192
Louisiana Supreme Court/Criminal Fines - Other	86	48
St Martin Parish Coroner/Criminal Fines - Other	1,700	980
LA Dept of Health & Hospitals THI/SCI/Criminal Fines - Other	490	265
16th Judicial District Public Defender/Criminal Fines - Other	510	294
Louisiana Commission on Law Enforcement/Criminal Fines - Other	393	215
LA Association of Chiefs of Police/Criminal Fines - Other	340	192
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	20,592	11,254
Less: Disbursements to Individuals/3rd Party Collection or Processing		
Agencies Payments to 3rd Party Collection/Processing Agencies	<u>-</u>	<u>-</u>
Subtotal Disbursements/Retainage	<u>34,701</u>	<u>19,336</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 1,438</u>	<u>\$ 1,771</u>

CITY OF ST. MARTINVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2024 and 2023

Records maintained by the City indicated the following number of customers were being serviced during the months of June 30, 2024 and 2023:

<u>Department</u>	<u>2024</u>	<u>2023</u>
Electric	2,715	2,672
Water	2,520	2,576
Sewer	2,183	2,189
Garbage	2,137	2,151

**COMPLIANCE,
INTERNAL CONTROL,
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Jason Willis, Mayor
and Members of the City Council
City of St. Martinville, 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, each major fund, and the aggregate remaining fund information of the City of St. Martinville, Louisiana (City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of St. Martinville's basic financial statements and have issued our report thereon dated October 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of St. Martinville'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 City of St. Martinville's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of St. Martinville's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2024-001 through 2024-009 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of St. Martinville'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2024-010 through 2024-012.

City of St. Martinville's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of St. Martinville's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The City of St. Martinville's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 31, 2024

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
For the Year Ended June 30, 2024

Part I Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Findings -

2024-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

Criteria

The City should have a control policy according to which no person should be given responsibility for more than one related function.

Condition

The City did not have adequate segregation of functions within the accounting system.

Cause

Due to the size of the City, there are a small number of available employees.

Effect

The City has employees that are performing more than one related function.

Recommendation

The City should establish and monitor mitigating controls over functions that are not completely segregated.

Management's Corrective Action Plan

Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

2024-002 Inadequate Controls Over Reconciling Accounts

Fiscal year finding initially occurred: 2019

Criteria

The City should have control policies and procedures that includes reconciling general ledger accounts to supporting schedules or subsidiary ledgers on a monthly basis.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings (Continued) And Management's Corrective Action Plan For the Year Ended June 30, 2024

Condition

The City does not have adequate procedures in place to reconcile general ledger accounts to appropriate supporting documentation.

Cause

The lack of formalized policies and procedures has resulted in the omission of monthly reconciliations for general ledger accounts, impacting the accuracy and reliability of financial records.

Effect

The general ledger required numerous adjusting journal entries to correct account balances, preventing management from producing accurate monthly financial statements, including budget-to-actual schedules.

Recommendation

The City should establish policies and procedures to reconcile general ledger accounts to appropriate supporting documentation on a monthly basis. Additionally, monthly financial statements and budget-to-actual schedules should be prepared in order to adequately monitor the operations of the City.

Management's Corrective Action Plan

The City will review its policies and procedures and ensure general ledger accounts are being reconciled to appropriate supporting documentation. The City will produce accurate monthly financial statements and budget-to-actual schedules to effectively monitor the City's operations.

2024-003 Inadequate Controls Over Capital Assets

Fiscal year finding initially occurred: 2019

Criteria

Louisiana Revised Statute 24:515.B.1 requires the municipality to maintain records of its capital assets. Management is responsible for recording, tagging, and coordinating the annual inventory of all capital assets. The listing of capital assets is to be updated each year for assets acquired and disposed.

Condition

The City does not have procedures in place to maintain accurate records of their capital assets.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings (Continued) And Management's Corrective Action Plan For the Year Ended June 30, 2024

Cause

The City's policies and procedures does not allow proper identification of assets being purchased and disposed and a physical inventory was not conducted prior to the end of their fiscal year.

Effect

The City's capital asset listing contained assets that were previously disposed or no longer useful in operations.

Recommendation

The City should implement policies and procedures relative to capital asset additions and disposals. Additionally, an annual inventory of all capital assets should be conducted prior to the end of the fiscal year.

Management's Corrective Action Plan

The City will revise their policies and procedures to include maintaining proper records of capital assets. Additions and disposals will be documented and approved by management. Physical inventories will be conducted prior to the end of the fiscal year and ending balances will be reconciled to the asset account balances in the general ledger.

2024-004 Inadequate Controls Over Bank Reconciliations

Fiscal year finding initially occurred: 2019

Criteria

The City should have a control policy in place that allows for the proper reconciliation of all bank accounts.

Condition

The City lacks procedures to accurately identify and resolve duplicate disbursements and outstanding deposits that have remained uncleared for several months on bank reconciliations.

Cause

The City's policies and procedures did not allow for the proper reconciliation of their bank accounts during the fiscal year.

Effect

The City's bank reconciliations included deposits and duplicate checks as outstanding items.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings (Continued) And Management's Corrective Action Plan For the Year Ended June 30, 2024

Recommendation

The City should ensure that proper activity is recorded in all bank accounts and that all outstanding items from the previous month and/or unusual reconciling items are researched and corrected as necessary.

Management's Corrective Action Plan

Management will ensure all activity is properly recorded on the general ledger and ensure that all outstanding items are investigated.

2024-005 Inadequate Controls over Traffic Tickets

Fiscal year finding initially occurred: 2021

Criteria

LRS 32:398.1 *Traffic citations; form; issuance*, states that "The chief administrative officer of each traffic-enforcement agency shall issue these books, maintain a record of each book and each citation contained therein issued to all individual members of the traffic enforcement agency and shall require and retain a receipt for each book issued." LRS 32:398.3 *Audit of citation records*, states that "each record of traffic citations required in the part shall be audited quarterly by the appropriate fiscal officer of the governmental agency to which the traffic enforcement agency is responsible.

Condition

The City may have not complied with Louisiana Revised Statutes governing traffic tickets by not performing quarterly audits, maintaining records of each citation, and providing traffic violations to the Department of Motor Vehicles (DMV).

Cause

The City's current procedures lack the necessary safeguards to ensure compliance with Louisiana Revised Statutes governing ticket administration.

Effect

The City was unable to provide records of 4 out of the 30 tickets selected for testing or demonstrate that traffic citations are submitted to the DMV within 30 days of payment.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings (Continued) And Management's Corrective Action Plan For the Year Ended June 30, 2024

Recommendation

Procedures should be strengthened to ensure proper retention of issued citations. A quarterly reconciliation of traffic citations should be conducted by the designated fiscal officer within the governmental agency to maintain accurate records and compliance. Additionally, all traffic citations should be submitted to the DMV within 30 days of payment.

Management's Corrective Action Plan

The Louisiana Revised Statutes governing ticket administration will be reviewed and procedures will be established to ensure compliance required by LRS 32:398.

2024-006 Inadequate Controls Over Disbursements of Contracts for Services

Fiscal year finding initially occurred: 2024

Criteria

The City should have policies and procedures in place to ensure that contractual payments are made in accordance with the contract terms.

Condition

The City did not adhere to the terms and conditions outlined in the service contract. Although the agreement specified monthly payments for services, the City issued advanced payments, later adjusting the payment schedule for the remaining contract months. These advance payments could be considered a violation of Article VII Section 14 of the Louisiana Constitution.

Cause

The City did not have adequate policies and procedures to adhere to the payment terms of a service contract.

Effect

During the initial month of a one-year service contract valued at \$61,000, the City made two advance payments totaling \$30,000. These advance payments may constitute a violation of Article VII, Section 14 of the Louisiana Constitution.

Recommendation

The City should ensure that the terms and conditions of an approved contract by the board are followed and payments should only be made to contractors once services have been received.

Management's Corrective Action Plan

Management will ensure all terms and conditions of an approved contracts are followed.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings (Continued)
And Management's Corrective Action Plan
For the Year Ended June 30, 2024

2024-007 Inadequate Controls Over Utility Disconnects

Fiscal year finding initially occurred: 2024

Criteria

In accordance with the City's collection policy, the City shall disconnect services from any account not paid in full by the 25th of the following month.

Condition

The City did not follow its established policies and procedures for utility collections by disconnecting service to customers due to nonpayment of their utility bills. Providing utility services without receiving payment could be considered a violation of Article VII Section 14 of the Louisiana Constitution.

Cause

The City did not have adequate policies and procedures to adhere to their established policies and procedures for utility collections.

Effect

The City allowed for continued services to accounts beyond their established disconnect date, which significantly increased the dollar amount written off during the fiscal year. Providing utility services without receiving payment could be considered a violation of Article VII Section 14 of the Louisiana Constitution.

Recommendation

To minimize future write-offs and ensure compliance with Article VII Section 14 of the Louisiana Constitution, the City should enforce compliance with its established utility collection policies and procedures, specifically those governing service disconnections for nonpayment.

Management's Corrective Action Plan

The City will review their current utility collection processes and ensure procedures are in place and followed by utility personnel relative to nonpayment of utility bills.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings (Continued)
And Management's Corrective Action Plan
For the Year Ended June 30, 2024

2024-008 Inadequate Controls Over Utility Billings

Fiscal year finding initially occurred: 2024

Criteria

The City should establish and implement policies and procedures to ensure that utility billings are accurately generated based on actual usage, with thorough review and approval prior to processing and mailing.

Condition

The City is processing customer utility bills that are excessive and do not agree with the customers usage.

Cause

The City lacks sufficient policies and procedures to ensure the accurate generation of customer utility bills prior to processing and mailing.

Effect

The City's utility customers are being billed for services that do not agree with actual usage. As a result, numerous and significant billing adjustments are being made to their accounting records. In some cases, the inaccurate billings are not identified in a timely manner and included in their customer aging reports, which is subsequently written off.

Recommendation

To ensure accuracy and accountability, the City should implement policies and procedures that require utility billings to be generated based on actual usage and subject to comprehensive review and approval prior to processing and mailing.

Management's Corrective Action Plan

The City will review their current billing processes and ensure procedures are in place and followed by utility personnel relative to the review and approval of utility billings prior to be processed and submitted to the customers.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings (Continued)
And Management's Corrective Action Plan
For the Year Ended June 30, 2024

2024-009 Inadequate Controls Over Customer Deposits

Fiscal year finding initially occurred: 2024

Criteria

The City should establish and implement policies and procedures to ensure that utility deposits are accurately tracked and applied to customers' accounts upon disconnection of services.

Condition

The City is not properly applying customer utility deposits to the final balance owed by customers upon disconnections of services.

Cause

The City lacks sufficient policies and procedures to ensure customer utility deposits are applied to final customer utility bills.

Effect

The City has outstanding customer utility deposits that have neither been refunded nor applied to offset remaining accounts receivable balances. Consequently, accounts receivable balances were written off before applying these customer deposits, resulting in an overstatement of the amounts recorded as write-offs. Additionally, the City has remaining deposit balances that are owed for former customers that have not been refunded.

Recommendation

The City should review their policies and procedures to ensure customer utility deposits are appropriately applied to final customer balances with any remaining amounts either collected or refunded to the customer.

Management's Corrective Action Plan

The City will review their current processes and ensure procedures are in place and followed by utility personnel relative to the cancelation of utility services. Any amounts owed/receivable after applying the customer's deposit will be refunded/collected.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings (Continued)
And Management's Corrective Action Plan
For the Year Ended June 30, 2024

B. Compliance Findings -

2024-010 Inadequate Controls Over Disbursements of Contracts for Services

Fiscal year finding initially occurred: 2024

See Internal Control Finding 2024-006

2024-011 Inadequate Controls Over Utility Disconnects

Fiscal year finding initially occurred: 2024

See Internal Control Finding 2024-007

2024-012 Compliance with Bond Covenants

Fiscal year finding initially occurred: 2024

Criteria

The City has outstanding debt obligations that are governed by debt covenants.

Condition

The City did not comply with the cash reserve requirement for their Sales Tax Bond, Series 2016.

Cause

The City did not maintain the required amount of cash in their reserve fund in accordance with the debt covenants for the Sales Tax Bond, Series 2016.

Effect

The City did not comply with the provision of the debt covenant as it relates to their reserve requirements.

Recommendation

The City should review the requirements of their debt covenants to ensure the appropriate cash reserves are maintained at all times.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings (Continued)
And Management's Corrective Action Plan
For the Year Ended June 30, 2024

Management's Corrective Action Plan

The City will review the official documents including bond ordinances for all outstanding debt obligations and will monitor the reserve requirements on a monthly basis to ensure the required balances are maintained.

C. Management Letter –

A management letter was issued related to (1) operating losses experienced in the City's Wastewater Department, and (2) enhancing interdepartmental procedures to facilitate more effective communication between the utility and accounting departments, thereby ensuring accurate recording of billings and collections.

Part II Prior Year Audit Finding

A. Internal Control Findings -

2023-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

Condition

The City did not have adequate segregation of functions within the accounting system.

Recommendation

The City should establish and monitor mitigating controls over functions that are not completely segregated.

Current Status

Unresolved. See Finding 2024-001

2023-002 Inadequate Controls Over Reconciling Accounts

Fiscal year finding initially occurred: 2019

Condition

The City does not have adequate procedures in place to reconcile general ledger accounts to appropriate supporting documentation.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings (Continued)
And Management's Corrective Action Plan
For the Year Ended June 30, 2024

Recommendation

The City should establish policies and procedures to reconcile general ledger accounts to appropriate supporting documentation on a monthly basis. Additionally, monthly financial statements and budget to actuals schedules should be prepared in order to adequately monitor the operations of the City.

Current Status

Unresolved. See Finding 2024-002

2023-003 Inadequate Controls Over Capital Assets

Fiscal year finding initially occurred: 2019

Condition

Louisiana Revised Statute 24:515.B.1 requires the municipality to maintain records of its capital assets. Management is responsible for recording, tagging, and coordinating the annual inventory of all capital assets. The listing of capital assets is to be updated each year for assets acquired and disposed.

Recommendation

The City will revise their policies and procedures to include maintaining proper records of capital assets. Additions and disposals will be documented and approved by management. Physical inventories will be conducted prior to the end of the fiscal year and ending balances will be reconciled to the asset account balances in the general ledger.

Current Status

Unresolved. See Finding 2024-003

2023-004 Inadequate Controls Over Bank Reconciliations

Fiscal year finding initially occurred: 2019

Condition

The City did not have procedures in place for the proper and timely reconciliation of the City's bank accounts.

Recommendation

The City should ensure that the proper activity is recorded in all bank accounts and complete the reconciliations no later than 60 days after the statement closing date.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings (Continued)
And Management's Corrective Action Plan
For the Year Ended June 30, 2024

Current Status

Partially resolved. See Finding 2024-004

2023-005 Inadequate Controls over Traffic Tickets

Fiscal year finding initially occurred: 2021

Condition

Controls over traffic tickets were not adequate. The traffic ticket log was not properly maintained: (1) there was no accounting for the numerical sequence of tickets issued and (2) ticket books were issued to police officers before the previously issued book is accounted for and before all issued citations are received from the police officer. No quarterly audit for traffic citations is being performed by the Municipal Clerk.

Recommendation

Ticket books should be issued in numerical sequence with only one ticket book issued at a time. The Chief should maintain a citation log with all required information to ensure fines are collection; appropriate action is taken for nonpayment; and funds are not misappropriated. A quarterly reconciliation of traffic citations should be performed by the Municipal Clerk.

Current Status

Partially resolved. See Finding 2024-005

B. Compliance Findings –

There were no findings required to be reported under this section.

C. Management Letter –

A management letter was issued related to operating losses experienced in the City's Wastewater Department for the fiscal year ended June 30, 2023.

KOLDER, SLAVEN & COMPANY, LLC

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MANAGEMENT LETTER

The Honorable Jason Willis, Mayor
and Members of the City Council
City of St. Martinville, Louisiana

We have completed our audit of the basic financial statements of the City of St. Martinville, Louisiana for the year ended June 30, 2024, we submit the following recommendation for your consideration:

- (1) The City of St. Martinville's Utility Fund experienced an operating loss in their Wastewater Department in the amount of \$97,070 for the fiscal year ended June 30, 2024. The City of St. Martinville should consider increasing wastewater rates and/or decreasing expenses within this department to operate on a profitable basis.
- (2) The City of St. Martinville should consider enhancing interdepartmental procedures to facilitate effective communication between the utility and accounting departments, thereby ensuring more accurate recording of billings and collections.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance, please feel free to contact us.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 31, 2024

City of St. Martinville
St. Martinville, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2024

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

City of St. Martinville
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. City of St. Martinville's management is responsible for those C/C areas identified in the SAUPs.

City of St. Martinville 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, 2023 through June 30, 2024. 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 and associated findings are as follows:

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.
 - 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.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - 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 sequences, agency fund forfeiture monies confirmation).

- 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 rates of pay or approval and maintenance of pay rate schedules.
- 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.
- g) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, 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 card purchases).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, (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
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, and (3) debt reserve requirements (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in 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, (6) identification of personnel, processes, and tools needed to recover operations after a critical event
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

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 document 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 document.
 - b) Observe whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.
 - c) 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 the negative unassigned fund balance in the General Fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

3. Obtain a listing of the entity's 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 accounts, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic fund transfers)

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).
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 there are no written policies or procedures, then 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/registers.
 - b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #4 (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:
 - a) Observe that receipts are sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under procedure #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:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/ officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- 10. For each location selected under procedure #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9, as applicable.
- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #4, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was:
 - a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy.
 - b) Approved by the required number of authorized signers per the entity's policy.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
13. 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 (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. 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 inspection). For each transaction, observe that 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. 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 and 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:
 - 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).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1g.
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

16. 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.
- 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).
- c) If the contract was amended (e.g., change order), observe that 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).
- 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 that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

- 17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- 19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or 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's or officials' cumulative leave records, agree the pay rates to the employee's or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- 20. 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.

Ethics

- 21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - 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, as applicable.

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. 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).

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
26. Observe that 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.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discussed 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 evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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 there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 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.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the listing of terminated employees obtained in Payroll and Personnel procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employee/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- a) Completed the training if hired before June 9, 2020; and
- b) Completed the training within 30 days of initial service or employment if hired on or after June 9, 2020.

We performed the procedure and discussed the results with management.

Prevention of Sexual Harassment

30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
31. Observe that 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).
32. 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;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.
-

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Written Policies and Procedures

1. The entity's written policies and procedures do not address the following: (a) Receipts - management's actions to determine completeness of all collections for each type of revenue or agency fund addition; (d) Contracting - address standard terms and conditions or the monitoring of contracts; (e) Travel - dollar thresholds for amounts that can be reimbursed; (f) Ethics - a system to monitor possible ethics violations and the requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy; (g) Information Technology/Disaster recovery - identification of critical data, frequency of backups, storage of backups in a separate physical location isolated from the network, periodic testing/ verification that backups can be restored, use of anti-virus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event; (g) Prevention of Sexual Harassment - annual reporting.

Board or Finance Committee

2. The City did not provide evidence that the board received written updates on the progress of resolving prior year's findings and recommendations.

Bank Reconciliation

3. One of the five bank accounts selected for testing did not include evidence of researching outstanding items greater than 12 months.

Collections

4. The entity has improper segregation of duties at the utility cashier's collection location due to employees that are responsible for collecting cash are also responsible for posting collection entries to the general ledger or subsidiary ledger, and no separate employee is responsible for reconciling ledger postings to each other and to the deposit.
5. There was 1 out of the 10 deposit dates selected for testing that contained receipts that were not deposited within 1 business day of collection.

Disbursements

6. The entity does not have segregation of duties related to 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, and the employee responsible for signing checks mails the payment or gives the signed check to an employee to mail who is not responsible for processing payments.
7. All five disbursements selected for testing lacked evidence of segregation of duties.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

8. Ten of the sixteen credit card transactions tested did not have documentation of public purpose.

Contracts

9. One of the five contracts selected for testing was not paid in accordance with the contract terms. There were two advances made at the beginning of the contract term when the contract had a stated bi-weekly payment term.

Payroll and Personnel

10. Four of the five employees tested did not have proper documentation of the authorized pay in the employees' personnel files.
11. One of the terminated employees tested was not properly paid in a timely manner according to the City's policy upon separation.

Debt Service

12. The City did not maintain the required reserve for the Sales Tax Bond, Series 2016 as specified in the bond covenants.

Management's Response:

Management concurs with the exceptions noted and is working to address the deficiencies identified.

We were engaged by City of St Martinville 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 City of St Martinville 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 31, 2024