

TOWN OF *St. Francisville* LOUISIANA



Town of St. Francisville

June 30, 2018

Financial Statements



TOWN OF ST. FRANCISVILLE, LOUISIANA

FINANCIAL REPORT

JUNE 30, 2018

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A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Town of St. Francisville, Louisiana (the Town), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of St. Francisville's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of St. Francisville, Louisiana, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of principal officials and salaries, and the schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of principal officials and salaries, and the schedule of compensation, benefits, and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of principal officials and salaries, and the schedule of compensation, benefits, and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.



The schedule of insurance-in-force and the schedule of gas and water rates have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report December 14, 2018 on our consideration of the Town of St. Francisville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of St. Francisville, Louisiana's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Donaldsonville, LA
December 14, 2018

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

This section of the Town of St. Francisville's (the Town) annual financial report presents our discussion and analysis of the Town's financial performance during the year that ended on June 30, 2018. Please read it in conjunction with the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Town's combined total net position increased by \$303,888 or 4.1% over the course of this year's operations. Net position of our governmental activities increased \$344,552 or 7.0% while net position of our business-type activities decreased \$40,664 or 1.7%.
- The general fund reported approximately \$1.6 million fund balance at year end.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for all major governmental funds. The basic financial statements include two kinds of statements that present different views of the Town:

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, which are added together and presented in single columns in the basic financial statements.

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

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

Fund Statements

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

	Table A-1			
	Town's Net Position			
	Governmental Activities		Business-Type Activities	
	2018	2017	2018	2017
ASSETS				
Current and other assets	\$ 2,486,105	\$ 2,358,580	\$ 482,081	\$ 456,549
Capital assets	3,847,333	3,682,005	2,993,680	2,898,370
TOTAL ASSETS	6,333,438	6,040,585	3,475,761	3,354,919
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	393,810	233,444	136,796	138,257
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	6,727,248	6,274,029	3,612,557	3,493,176
LIABILITIES				
Current liabilities	215,003	220,504	183,508	254,574
Long - term liabilities	1,200,587	1,055,654	1,026,696	792,099
TOTAL LIABILITIES	1,415,590	1,276,158	1,210,204	1,046,673
DEFERRED INFLOWS OF RESOURCES				
Pension related	60,538	91,303	18,161	21,647
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,476,128	1,367,461	1,228,365	1,068,320
NET POSITION				
Net investment in capital assets	3,414,120	3,180,849	2,275,529	2,395,838
Restricted	7,030	5,290	84,635	77,236
Unrestricted	1,829,970	1,720,429	24,028	(48,218)
TOTAL NET POSITION	\$ 5,251,120	\$ 4,906,568	\$ 2,384,192	\$ 2,424,856

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Change in net position. The Town's total net position increased \$303,888 (See Table A-2). Note all changes in revenues and expenses in this table reflect twelve months of activity for 6/30/18 compared to ten months of activity for 6/30/17.

Approximately 35.9 percent of the Town's revenue comes from charges for services, and 33.2 percent comes from tax collections.

The total cost of all programs and services increased by \$985,810 or 36%.

Table A-2
Changes in Town's Net Position

	Governmental Activities		Business-Type Activities	
	6/30/2018 For 12 months ended	6/30/2017 For 10 months ended	6/30/2018 For 12 months ended	6/30/2017 For 10 months ended
Revenues				
Program revenues				
Charges for services	\$ 203,944	\$ 171,376	\$ 1,244,069	\$ 865,501
Capital grants and contributions	443,947	97,279	-	355,000
General revenues				
Taxes	1,338,816	1,116,345	-	-
Licenses and permits	189,171	180,089	-	-
State grant revenue	-	525,821	-	-
Intergovernmental	44,006	41,920	-	-
Fines	216,559	94,969	-	-
Miscellaneous	290,208	254,755	57,589	(48,167)
Total revenues	2,726,651	2,482,554	1,301,658	1,172,334
Expenses				
General government	718,130	544,200	1,163,859	730,865
Public safety	736,974	611,151	-	-
Streets	216,787	165,606	-	-
Sewer operations	207,916	137,935	-	-
Economic development	170,740	158,655	-	-
Debt service expenses:				
Interest and fiscal charges	9,959	10,310	-	-
Depreciation	321,593	257,912	178,463	121,977
Total expenses	2,382,099	1,885,769	1,342,322	852,842
Increase (decrease) in net position	344,552	596,785	(40,664)	319,492
Beginning net position	4,906,568	4,309,783	2,424,856	2,105,364
Net position	\$ 5,251,120	\$ 4,906,568	\$ 2,384,192	\$ 2,424,856

Governmental Activities

Revenues for the Town's governmental activities increased \$244,097 or 9.8 percent, while total expenses increased \$496,330 or 26.3 percent.

Business-type Activities

Revenues for the Town's business-type activities increased \$129,324 or 11.0 percent and costs of services increased \$489,480 or 57.4 percent.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

For the year ended June 30, 2018, its governmental funds reported a combined fund balance of approximately \$2.37 million while the enterprise funds reported combined net position of approximately \$2.4 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Town Council revised the Town's General Fund budget to adjust various revenues and expenses. The amended budget reflected changes primarily in an increase in grant revenues and an increase in capital outlay. With these adjustments, actual expenditures were approximately \$10,300 more than final budgeted expenditures. Also, actual revenues were approximately \$62,700 more than final budgeted revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At June 30, 2018, the Town had invested approximately \$6.8 million in a broad range of capital assets, including police and fire department equipment, buildings, vehicles, and gas and water systems. (See Table A-3) This amount represents a net increase (including additions and deductions) of \$260,638 over last year.

	Table A-3			
	Town's Capital Assets			
	Governmental Activities		Business Activities	
	2018	2017	2018	2017
Improvements other than buildings	\$ 3,817,214	\$ 3,767,897	\$ 894,347	\$ 894,347
Buildings	877,509	877,509	497,005	497,005
Equipment	2,606,023	2,617,159	4,806,631	3,881,243
Land	715,886	715,886	6,523	6,523
Infrastructure	537,902	-	-	-
Construction in progress	-	93,111	47,714	726,905
Accumulated depreciation	(4,707,201)	(4,389,557)	(3,258,540)	(3,107,653)
Total	\$ 3,847,333	\$ 3,682,005	\$ 2,993,680	\$ 2,898,370

This year's major capital asset additions include:

- The completion of the Burnett Bridge that has costs of approximately \$538,000.
- Purchase of one vehicle for the Gas Fund in the amount of approximately \$27,000.
- Construction in progress related to the Hwy 66 Gas Line project in the amount of approximately \$48,000.
- The completion of the Water Well project that has costs of approximately \$899,000.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Long-term debt. At the end of the current fiscal year, the Town had long - term debt outstanding of \$1,226,661 as compared to \$1,110,649 in the prior year, an increase of \$116,012 or 10.4 percent. (See Table A-4). More information about the Town's long-term liabilities is presented in Note 9 to the financial statements.

Table A-4				
Town's Outstanding Debt				
	Governmental Activities		Business Activities	
	2018	2017	2018	2017
Sales tax revenue refunding bond	\$ 124,000	\$ 160,000	\$ -	\$ -
Utility Revenue Bond	-	-	718,151	502,532
Revenue Bond	141,048	148,904	-	-
Revolving Loan-DEQ Sewer Upgrade	168,165	192,252	-	-
Capital Leases	54,719	106,961	20,578	-
Total	\$ 487,932	\$ 608,117	\$ 738,729	\$ 502,532

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's major sources of revenue for the general and sales tax funds are comprised from sales tax, licenses and permits, and charges for services. The economy is not expected to generate any significant growth.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 812,697	\$ 247,742	\$ 1,060,439
Investments	1,491,432	2,024	1,493,456
Accounts receivable, net	19,662	116,040	135,702
Interest receivable	1,137	-	1,137
Due from other governmental units	93,249	-	93,249
Other receivable	28,389	-	28,389
Prepaid insurance	32,509	31,640	64,149
Cash - restricted	7,030	84,635	91,665
Land, building, and equipment - net	3,847,333	2,993,680	6,841,013
TOTAL ASSETS	<u>6,333,438</u>	<u>3,475,761</u>	<u>9,809,199</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related	393,810	136,796	530,606
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>393,810</u>	<u>136,796</u>	<u>530,606</u>
<u>LIABILITIES</u>			
Accounts payable	96,602	29,353	125,955
Accrued payables	20,001	8,881	28,882
Interest payable	1,493	1,891	3,384
Customer deposits	-	72,493	72,493
Compensated absences	13,077	17,802	30,879
Long-term liabilities:			
Net pension liability	796,485	341,055	1,137,540
Leases payable			
Due within one year	21,326	6,548	27,874
Due in more than one year	33,393	14,030	47,423
Bonds payable			
Due within one year	62,504	46,540	109,044
Due in more than one year	370,709	671,611	1,042,320
TOTAL LIABILITIES	<u>1,415,590</u>	<u>1,210,204</u>	<u>2,625,794</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related	60,538	18,161	78,699
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>60,538</u>	<u>18,161</u>	<u>78,699</u>
<u>NET POSITION</u>			
Net investment in capital assets	3,414,120	2,275,529	5,689,649
Restricted	7,030	84,635	91,665
Unrestricted	1,829,970	24,028	1,853,998
TOTAL NET POSITION	<u>\$ 5,251,120</u>	<u>\$ 2,384,192</u>	<u>\$ 7,635,312</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Program Revenues			Net Program (Expense)/Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 732,721	\$ -	\$ 441,625	\$ (291,096)	\$ -	\$ (291,096)
Public safety	787,011	-	2,322	(784,689)	-	(784,689)
Streets	350,429	-	-	(350,429)	-	(350,429)
Sewer operations	309,070	203,944	-	(105,126)	-	(105,126)
Economic development	192,909	-	-	(192,909)	-	(192,909)
Debt service:						
Interest and fiscal charges	9,959	-	-	(9,959)	-	(9,959)
Total governmental activities	2,382,099	203,944	443,947	(1,734,208)	-	(1,734,208)
Business-type activities:						
Gas services	832,077	857,193	-	-	25,116	25,116
Water services	510,245	386,876	-	-	(123,369)	(123,369)
Total business-type activities	1,342,322	1,244,069	-	-	(98,253)	(98,253)
Total primary government	\$ 3,724,421	\$ 1,448,013	\$ 443,947	(1,734,208)	(98,253)	(1,832,461)
General revenues:						
Ad valorem taxes				137,481	-	137,481
Sales and use taxes				1,201,335	-	1,201,335
Licenses and permits				189,171	-	189,171
Intergovernmental revenue				44,006	-	44,006
Earnings on investments				17,689	144	17,833
Fines				216,559	-	216,559
Other				313,513	16,451	329,964
Transfers (to) from other funds				(40,994)	40,994	-
Total general revenues				2,078,760	57,589	2,136,349
Change in net position				344,552	(40,664)	303,888
Net Position - June 30, 2017				4,906,568	2,424,856	7,331,424
Net Position - June 30, 2018				\$ 5,251,120	\$ 2,384,192	\$ 7,635,312

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE

St. Francisville, LA

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2018

	<u>General</u>	<u>Sales and Use Tax</u>	<u>Economic Development</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 325,038	\$ 455,760	\$ 31,899	\$ 812,697
Investments	1,318,333	-	173,099	1,491,432
Accounts receivable	-	19,662	-	19,662
Interest receivable	1,137	-	-	1,137
Due from other governmental units	-	93,249	-	93,249
Other receivables	28,389	-	-	28,389
Prepaid insurance	22,127	10,382	-	32,509
Cash - restricted	-	7,030	-	7,030
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 1,695,024</u>	<u>\$ 586,083</u>	<u>\$ 204,998</u>	<u>\$ 2,486,105</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Salaries, payroll deductions, and withholdings payable	\$ 10,358	\$ 8,711	\$ 932	\$ 20,001
Accounts payable	41,880	47,826	6,896	96,602
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>52,238</u>	<u>56,537</u>	<u>7,828</u>	<u>116,603</u>
Fund balances:				
Nonspendable	22,127	10,382	-	32,509
Restricted				
Debt service	-	7,030	-	7,030
Sanitary sewer system operations	-	512,134	-	512,134
Economic development	-	-	197,170	197,170
Unassigned, reported in General Fund	1,620,659	-	-	1,620,659
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>1,642,786</u>	<u>529,546</u>	<u>197,170</u>	<u>2,369,502</u>
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,695,024</u>	<u>\$ 586,083</u>	<u>\$ 204,998</u>	<u>\$ 2,486,105</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total fund balances at June 30, 2018 - governmental funds		\$ 2,369,502
Cost of capital assets at June 30, 2018	\$ 8,554,534	
Less: accumulated depreciation as of June 30, 2018	<u>(4,707,201)</u>	3,847,333
Deferred outflows - pension related		393,810
Long-term liabilities at June 30, 2018:		
Obligations under capital lease	\$ (54,719)	
LDEQ clean water state revolving loan	(168,165)	
Sales tax revenue refunding bond	(124,000)	
Revenue bond	(141,048)	
Accrued interest payable	(1,493)	
Compensated absences payable	(13,077)	
Net pension liability	<u>(796,485)</u>	(1,298,987)
Deferred inflows - pension related		<u>(60,538)</u>
Total net position at June 30, 2018 - governmental activities		<u>\$ 5,251,120</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>Sales and Use Tax</u>	<u>Economic Development</u>	<u>Total</u>
<u>REVENUES</u>				
Taxes	\$ 137,481	\$ 1,022,911	\$ -	\$ 1,160,392
Hotel/Motel tax	-	-	178,424	178,424
Grants	443,947	-	-	443,947
Occupational licenses and permits	189,171	-	-	189,171
Intergovernmental	14,889	-	-	14,889
State supplemental pay	29,117	-	-	29,117
Charges for services	-	203,944	-	203,944
Other charges	242,314	-	-	242,314
Fines and forfeitures	216,559	-	-	216,559
Interest	15,402	162	2,125	17,689
Other	50,625	-	12,935	63,560
Total revenues	<u>1,339,505</u>	<u>1,227,017</u>	<u>193,484</u>	<u>2,760,006</u>
<u>EXPENDITURES</u>				
General government	203,237	444,418	-	647,655
Public safety	742,557	-	-	742,557
Streets	214,995	-	-	214,995
Sewer operations	-	207,916	-	207,916
Culture, recreation, and economic development	-	-	167,254	167,254
Capital outlay	466,325	49,317	-	515,642
Debt service:				
Principal or lease retirement	24,623	78,342	-	102,965
Interest and fiscal charges	4,516	10,182	-	14,698
Total expenditures	<u>1,656,253</u>	<u>790,175</u>	<u>167,254</u>	<u>2,613,682</u>
Excess (deficiency) of revenues over (under)expenditures	<u>(316,748)</u>	<u>436,842</u>	<u>26,230</u>	<u>146,324</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	294,590	80,000	-	374,590
Operating transfers out	-	(415,584)	-	(415,584)
Total other financing sources (uses)	<u>294,590</u>	<u>(335,584)</u>	<u>-</u>	<u>(40,994)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(22,158)</u>	<u>101,258</u>	<u>26,230</u>	<u>105,330</u>
<u>FUND BALANCE</u>				
Fund Balance at June 30, 2017	1,664,944	428,288	170,940	2,264,172
Fund Balance at June 30, 2018	<u>\$ 1,642,786</u>	<u>\$ 529,546</u>	<u>\$ 197,170</u>	<u>\$ 2,369,502</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Total net changes in fund balance - governmental funds		\$ 105,330
Capital assets:		
Capital outlay and other expenditures capitalized	\$ 515,642	
Loss on disposal of capital assets	(28,721)	
Depreciation expense for the year ended June 30, 2018	<u>(321,593)</u>	165,328
Long-term debt:		
Principal portion of debt payments	\$ 67,943	
Capital lease payments	35,022	
Gain on disposal of capital lease	17,220	
Excess of interest paid over interest accrued	223	
Excess of compensated absences accrued over amounts paid	<u>9,254</u>	129,662
Net change in pension liability and deferred inflows/outflows of resources		<u>(55,768)</u>
Change in net position - governmental activities		<u><u>\$ 344,552</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ENTERPRISE FUNDS
BALANCE SHEET
JUNE 30, 2018

	<u>Gas Utility Fund</u>	<u>Water Utility Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 210,687	\$ 37,055	\$ 247,742
Investments	-	2,024	2,024
Accounts receivable - net of allowance for uncollectible accounts	70,652	45,388	116,040
Restricted cash:			
Meter deposit fund	49,490	35,062	84,552
Debt sinking account	-	83	83
Prepaid insurance	15,820	15,820	31,640
Total current assets	<u>346,649</u>	<u>135,432</u>	<u>482,081</u>
Noncurrent assets:			
Gas system and equipment - net	1,539,344	-	1,539,344
Water system and equipment - net	-	1,454,336	1,454,336
Total noncurrent assets	<u>1,539,344</u>	<u>1,454,336</u>	<u>2,993,680</u>
TOTAL ASSETS	<u>1,885,993</u>	<u>1,589,768</u>	<u>3,475,761</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related	84,266	52,530	136,796
TOTAL DEFERRED OUTFLOWS OF RESOURCE	<u>84,266</u>	<u>52,530</u>	<u>136,796</u>
<u>LIABILITIES</u>			
Current liabilities:			
Payable from current assets:			
Accounts payable	16,607	12,746	29,353
Accrued expenses	4,582	4,299	8,881
Compensated absences	11,372	6,430	17,802
Payable from restricted assets:			
Bonds payable in one year	11,755	34,785	46,540
Leases payable in one year	6,548	-	6,548
Accrued interest payable	492	1,399	1,891
Customer deposits	49,385	23,108	72,493
Total current liabilities	<u>100,741</u>	<u>82,767</u>	<u>183,508</u>
Noncurrent liabilities:			
Bonds payable after one year	175,005	496,606	671,611
Leases payable after one year	14,030	-	14,030
Net pension liability	204,856	136,199	341,055
Total noncurrent liabilities	<u>393,891</u>	<u>632,805</u>	<u>1,026,696</u>
TOTAL LIABILITIES	<u>494,632</u>	<u>715,572</u>	<u>1,210,204</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related	11,390	6,771	18,161
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>11,390</u>	<u>6,771</u>	<u>18,161</u>
<u>NET POSITION</u>			
Net investment in capital assets	1,352,584	922,945	2,275,529
Restricted	49,490	35,145	84,635
Unrestricted	62,163	(38,135)	24,028
TOTAL NET POSITION	<u>\$ 1,464,237</u>	<u>\$ 919,955</u>	<u>\$ 2,384,192</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Gas Utility Fund</u>	<u>Water Utility Fund</u>	<u>Total</u>
<u>OPERATING REVENUES</u>			
Charges for services	\$ 857,193	\$ 386,876	\$ 1,244,069
Miscellaneous	4,552	11,899	16,451
Total operating revenues	<u>861,745</u>	<u>398,775</u>	<u>1,260,520</u>
<u>OPERATING EXPENSES</u>			
Gas - purchases	304,725	-	304,725
Depreciation	90,227	88,236	178,463
Other	431,294	422,009	853,303
Total operating expenses	<u>826,246</u>	<u>510,245</u>	<u>1,336,491</u>
Operating income (loss)	<u>35,499</u>	<u>(111,470)</u>	<u>(75,971)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Investment earnings	72	72	144
Interest expense	(5,831)	-	(5,831)
Total non-operating revenues (expenses)	<u>(5,759)</u>	<u>72</u>	<u>(5,687)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	45,576	135,021	180,597
Transfers out	(55,037)	(84,566)	(139,603)
Total other financing sources (uses)	<u>(9,461)</u>	<u>50,455</u>	<u>40,994</u>
Change in net position	<u>20,279</u>	<u>(60,943)</u>	<u>(40,664)</u>
<u>NET POSITION</u>			
Fund Balance at June 30, 2017	<u>1,443,958</u>	<u>980,898</u>	<u>2,424,856</u>
Fund Balance at June 30, 2018	<u>\$ 1,464,237</u>	<u>\$ 919,955</u>	<u>\$ 2,384,192</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Gas Utility Fund	Water Utility Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 902,065	\$ 432,222	\$ 1,334,287
Cash payments to suppliers for goods and services	(518,744)	(309,241)	(827,985)
Cash payments to employees for services	(206,468)	(187,338)	(393,806)
Net cash provided (used) by operating activities	<u>176,853</u>	<u>(64,357)</u>	<u>112,496</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers to/(from) other funds	(9,461)	50,455	40,994
Due to other funds	17,469	15,340	32,809
Net cash provided by noncapital financing activities	<u>8,008</u>	<u>65,795</u>	<u>73,803</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING:			
Lease proceeds	27,245	-	27,245
Lease payments	(6,667)	-	(6,667)
Bond proceeds	47,714	196,663	244,377
Principal paid on revenue bond maturities	(7,479)	(21,279)	(28,758)
Interest paid on revenue bonds	(5,831)	-	(5,831)
Acquisition of capital assets	(74,959)	(198,814)	(273,773)
Net cash used for capital and related financing	<u>(19,977)</u>	<u>(23,430)</u>	<u>(43,407)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments	72	72	144
Purchase of investments	-	(27)	(27)
Net cash provided by investing activities	<u>72</u>	<u>45</u>	<u>117</u>
NET INCREASE (DECREASE) IN CASH	164,956	(21,947)	143,009
CASH AND CASH EQUIVALENTS AT JUNE 30, 2017	<u>95,221</u>	<u>94,147</u>	<u>189,368</u>
CASH AND CASH EQUIVALENTS AT JUNE 30, 2018	<u>\$ 260,177</u>	<u>\$ 72,200</u>	<u>\$ 332,377</u>

(continued)

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Gas Utility Fund	Water Utility Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 35,499	\$ (111,470)	\$ (75,971)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	90,227	88,236	178,463
Change in assets and liabilities:			
Accounts receivable	40,887	43,515	84,402
Prepaid insurance	(1,056)	(1,056)	(2,112)
Deferred outflows of resources	641	(1,956)	(1,315)
Accounts payable	(1,475)	(96,067)	(97,542)
Accrued expenses	(405)	1,864	1,459
Accrued interest payable	93	430	523
Deferred inflows of resources	(1,530)	820	(710)
Meter deposits	3,985	1,831	5,816
Compensated absences	448	(2,698)	(2,250)
Pension	9,539	12,194	21,733
Total adjustments	141,354	47,113	188,467
Net cash provided(used) by operating activities	\$ 176,853	\$ (64,357)	\$ 112,496
Cash and cash equivalents for cash flow statement include:			
Cash and cash equivalents	\$ 210,687	\$ 37,055	\$ 247,742
Restricted cash	49,490	35,145	84,635
TOTAL CASH AND CASH EQUIVALENTS	\$ 260,177	\$ 72,200	\$ 332,377

(concluded)

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies

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

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

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

Financial Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 61, Section 2100, *Defining the Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Town is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement No. 61, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the Town does not have any component units, which are defined by GASB Statement No. 61 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

The following is a summary of certain significant accounting policies and practices:

Basis of Presentation, Basis of Accounting

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. **Summary of Significant Accounting Policies** (continued)

Basis of Presentation, Basis of Accounting (continued)

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

The Town reports the following major governmental funds:

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

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

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

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation, Basis of Accounting (continued)

The Town reports the following major enterprise funds:

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

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

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

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes are recognized when the underlying sales transactions occur. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

I. Summary of Significant Accounting Policies (continued)

Use of Estimates

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

Pension Plans

The Town of St. Francisville is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 13. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plan's fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

Budgets and Budgetary Accounting

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

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

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

Cash, Cash Equivalents, and Investments

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

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

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

Restricted Assets

Certain custom meter deposits, debt service sinking funds, and ad valorem tax collections are legally restricted as to purpose. These assets have been classified as restricted assets on the Statement of Net Position since the use of these funds is limited by applicable deposit agreements, bond covenants, and tax millages.

Bad Debts

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

Operating Transfers In and Out; Due to/from Funds

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

Compensated Absences

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

Long Term Debt

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

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

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

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

Statement of Cash Flows

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

Encumbrances

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

I. Summary of Significant Accounting Policies (continued)

Equity Classifications

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

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

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

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

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

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. The Town carries commercial insurance for all risks of loss.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

Capital Assets

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

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

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

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

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

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

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

Accounts Receivable

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

Deferred Outflows/Inflows of Resources

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of Treasury for Town issues at June 30, 2018.

2. Cash and Investments

A. Deposits

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

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

Cash and cash equivalents:

Deposits	\$ 778,008
Money market funds	282,431
	<hr/> 1,060,439

Restricted Cash:

Deposits	91,665
Total cash and cash equivalents	<hr/> \$ 1,152,104

Custodial Credit Risk

Custodial Credit Risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. At June 30, 2018, the Town's bank balances totaled \$999,815. Of these bank balances, \$842,445 was covered by federal depository insurance, and \$143,490 was covered by pledged securities owned by the fiscal agent financial institution, thereby being exposed to custodial credit risk totaling \$13,880.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

B. Investments

The amortized cost and fair value of securities, with gross unrealized gains and losses, follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury Securities	\$ 747,759	\$ 764	\$ -	\$ 748,523
Total	<u>\$ 747,759</u>	<u>\$ 764</u>	<u>\$ -</u>	<u>\$ 748,523</u>

As of June 30, 2018, the Town had the following investments and maturities:

INVESTMENT MATURITIES (in years)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>
Governmental Activities			
Investments at fair value			
U.S. Treasury Securities with maturity greater than 3 months	\$ 748,523	\$ 748,523	\$ -
Investments measured at net asset value			
LAMP	742,909	742,909	
	<u>1,491,432</u>	<u>1,491,432</u>	<u>-</u>
Business – type Activities			
Investments measured at net asset value			
LAMP	2,024	2,024	-
TOTAL	<u>\$ 1,493,456</u>	<u>\$ 1,493,456</u>	<u>\$ -</u>

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

Credit Risk- Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may invest in United States bonds, treasury notes or certificates, or any other federally insured investment, or in mutual and trust fund institutions, which are registered with the Securities and Exchange Commission, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies. As of June 30, 2018, the Town's investments in U.S. Agencies were rated AAA by Standard & Poor's.

Concentration of Credit Risk- the Town places no limit on the amount the Town may invest in any one issuer. All of the Town's investments are in certificates of deposit and Louisiana Asset Management Pool accounts.

Determination of Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

B. **Investments** (continued)

Fair Value Hierarchy

In accordance with this guidance, the Town groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuation are based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on 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 asset or liability.
- Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

The following methods and assumptions were used by the Town in estimating fair value disclosures for financial instruments:

Securities: Where quoted prices are available in an active market, we classify the securities within level 1 of the valuation hierarchy.

If quoted market prices are not available, we estimate fair values using pricing models and discounted cash flows that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, and credit spreads. Examples of such instruments, which would generally be classified within level 2 of the valuation hierarchy, include GSE (Government sponsored enterprises) obligations, such as Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Federal Home Loan Bank), corporate bonds, and other securities. Mortgage backed securities are included in level 2 if observable inputs are available. In certain cases where there is limited activity or less transparency around inputs to the valuation, we classify those securities in level 3.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

B. **Investments** (continued)

Fair Value of Assets Measured on a Recurring Basis

The Town's securities are measured on a recurring basis through a model used by its investment custodian. Prices are derived from a model which uses actively quoted rates, prepayment models and other underlying credit and collateral data.

The following table presents for each of the fair-value hierarchy level the Town's financial assets and liabilities that are measured at fair value (in thousands) on a recurring basis at June 30, 2018:

	Level 1	Level 2	Level 3
U.S Treasury Securities	\$ 748,523	\$ -	\$ -
Total	\$ 748,523	\$ -	\$ -

At June 30, 2018 the Town had invested \$744,933 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2018 is not categorized into the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. Due to the short-term nature of the LAMP portfolio and the immediate access at par feature, investments in LAMP are considered cash equivalents by the Town.

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

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

Credit risk: LAMP is rated AAAM by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

B. **Investments** (continued)

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating / variable rate investments. The WAM of LAMP's total investments is 47 days as of June 30, 2018.

Foreign currency risk: Not applicable.

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

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

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

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

3. **Restricted Assets**

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

As of June 30, 2018, the Town was in compliance with all related debt covenants and has \$7,030 restricted for the retirement of bonds.

At June 30, 2018, the Town has \$84,552 restricted for the refunding of customer meter deposits and \$83 restricted for the debt sinking account.

4. **Ad Valorem Taxes**

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

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of West Feliciana Parish. For the year ended June 30, 2018, taxes of 5.66 mills were levied on property with assessed valuations totaling \$24,473,046 and were dedicated for general purposes.

Ad valorem taxes collected during the year ended June 30, 2018 totaled \$137,481.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

5. Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2018 consisted of the following:

West Feliciana Parish School Board	\$	93,249	
		93,249	

6. Receivables

Receivables as of June 30, 2018 for the Town's governmental and business type funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities:

	General	Sales & Use	Total
Other receivables			
Franchise tax receivables	\$ 28,389	\$ -	\$ 28,389
Total other receivables	28,389	-	28,389
Accounts receivable:			
Charges for services	-	26,572	26,572
Less: allowance	-	(6,910)	(6,910)
Accounts receivable, net	-	19,662	19,662
Interest receivables	1,137	-	1,137
Total receivables	\$ 29,526	\$ 19,662	\$ 49,188

Business – Type Activities:

	Gas	Water	Total
Accounts receivable:			
Charges for services	\$ 89,654	\$ 61,340	\$ 150,994
Less: allowance	(19,002)	(15,952)	(34,954)
Accounts receivable, net	70,652	45,388	116,040
Total receivables	\$ 70,652	\$ 45,388	\$ 116,040

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

7. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2018 are as follows:

Governmental Activities:

	Balance 6/30/17	Additions	Deletions	Reclass	Balance 6/30/18
Land	\$ 715,886	\$ -	\$ -	\$ -	\$ 715,886
Improvements other than buildings	3,767,897	49,317	-	-	3,817,214
Buildings	877,509	-	-	-	877,509
Equipment	2,617,159	21,534	(32,670)	-	2,606,023
Infrastructure	-	-	-	537,902	537,902
Construction in progress	93,111	444,791	-	(537,902)	-
	<u>8,071,562</u>	<u>515,642</u>	<u>(32,670)</u>	<u>-</u>	<u>8,554,534</u>
Less: Accumulated Depreciation	<u>(4,389,557)</u>	<u>(321,593)</u>	<u>3,949</u>	<u>-</u>	<u>(4,707,201)</u>
Net Capital Assets	<u>\$ 3,682,005</u>	<u>\$ 194,049</u>	<u>\$ (28,721)</u>	<u>\$ -</u>	<u>\$ 3,847,333</u>

Depreciation expense for the year ended June 30, 2018 totaled \$ 321,593, which are charged to the following functions:

General Government	\$ 14,591
Public Safety - Police	50,037
Streets	133,642
Sewer Operations	101,154
Economic Development	22,169
	<u>\$ 321,593</u>

Business-Type Activities:

	Balance 6/30/17	Additions	Deletions	Reclass	Balance 6/30/18
Land	\$ 6,523	\$ -	\$ -	\$ -	\$ 6,523
Buildings and improvements	1,391,352	-	-	-	1,391,352
Equipment	3,881,243	54,349	(27,576)	898,615	4,806,631
Construction in progress	726,905	219,424	-	(898,615)	47,714
	<u>6,006,023</u>	<u>273,773</u>	<u>(27,576)</u>	<u>-</u>	<u>6,252,220</u>
Less: Accumulated Depreciation	<u>(3,107,653)</u>	<u>(178,463)</u>	<u>27,576</u>	<u>-</u>	<u>(3,258,540)</u>
Net Capital Assets	<u>\$ 2,898,370</u>	<u>\$ 95,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,993,680</u>

Depreciation expense for the year ended June 30, 2018 totaled \$ 178,463, of which \$90,227 and \$88,236 was allocated to gas services and water services, respectively.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

7. **Capital Assets** (continued)

Construction Commitment

The town has active construction contracts at June 30, 2018 totaling \$57,349. The remaining commitments on active construction projects at June 30, 2018, are as follows:

Project	Contract Amount	Remaining Commitment
<u>Gas Fund:</u>		
Contractor: Sprinks Construction	\$ 45,495	\$ 4,550
Engineer: Processional Environmental Consultants	11,854	5,085
	<u>\$ 57,349</u>	<u>\$ 9,635</u>

8. **Compensated Absences**

The following is a summary of compensated absences for the year ended June 30, 2018:

	Governmental Activities	Business-type Activities	Total
Balance at June 30, 2017	\$ 22,331	\$ 20,052	\$ 42,383
Additions	-	-	-
Deductions	(9,254)	(2,250)	(11,504)
Balance, June 30, 2018	<u>\$ 13,077</u>	<u>\$ 17,802</u>	<u>\$ 30,879</u>

Employees earn vacation leave at various rates depending upon length of their employment. Vacation time must be taken within twenty four months following the employees anniversary date. Vacation benefits can only be cumulative for twenty four months and all vacation time not taken within twenty four months will be forfeited. Since employees are required to take all vacation within 24 months, compensated absences liability is considered short - term.

9. **Long-Term Debt**

The following is a summary of long-term debt transactions for the year ended June 30, 2018:

	Balance 6/30/17	Additions	Deletions	Balance 6/30/18	Due within one year
<u>Governmental Activities</u>					
Bonds and notes payable					
Revolving loan-DEQ sewer upgrade	\$ 192,252	\$ -	\$ 24,087	\$ 168,165	\$ 16,000
Sales tax revenue refunding bond	160,000	-	36,000	124,000	39,000
Revenue bond, series 2017	148,904	-	7,856	141,048	7,504
	<u>\$ 501,156</u>	<u>\$ -</u>	<u>\$ 67,943</u>	<u>\$ 433,213</u>	<u>\$ 62,504</u>
<u>Business- type Activities</u>					
Utility revenue bond series 2015	\$ 502,532	\$ 244,377	\$ 28,758	\$ 718,151	\$ 46,540
	<u>\$ 502,532</u>	<u>\$ 244,377</u>	<u>\$ 28,758</u>	<u>\$ 718,151</u>	<u>\$ 46,540</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

9. Long-Term Debt (continued)

Bonds payable at June 30, 2018 are comprised of the following individual issues:

Governmental Activities:

Revenue bond - DEQ sewer upgrade

The Town was granted a \$1,000,000 revolving loan from DEQ for a period of 30 years with an interest rate of 0.95%. \$ 168,165

\$264,202 Sales tax revenue refunding bond, Series 2013 - due in 8 yearly payments of \$38,242 through November 2020, including interest at 2.0%. This bond replaced the Public equipment (Fire Truck) revenue bond \$ 124,000

\$150,000 Revenue bond, Series 2017, due in 5 years with interest rate of 3.25% per annum, payable on the first calendar day of each month. \$ 141,048

Business-Type Activities:

\$800,000 Utilities revenue bonds, Series 2015 - due in 15 yearly payments through December 2030, including interest at 3.25%. \$ 718,151

The annual requirements to amortize all debt outstanding as of June 30, 2018 including interest of \$29,116 is as follows:

Year Ending June 30,	DEQ Sewer Upgrade Liability	Sales Tax Refunding Bonds	Utility Revenue Bonds Series 2015	Refunding Bonds Series 2017	Total
2019	\$ 17,521	\$ 41,050	\$ 48,052	\$ 11,605	\$ 118,228
2020	17,370	41,260	49,660	12,660	120,950
2021	17,218	41,450	59,154	12,660	130,482
2022	17,066	4,020	64,301	119,732	205,119
2023	17,909	-	70,423	-	88,332
Thereafter	89,296	-	428,073	-	517,369
	<u>\$ 176,380</u>	<u>\$ 127,780</u>	<u>\$ 719,663</u>	<u>\$ 156,657</u>	<u>\$ 1,180,480</u>

The current portion of long-term bonded debt is \$109,044 and the long-term portion is \$1,042,320.

Capital leases

The Town entered into several master lease purchases agreements with Ford Motor Company to finance the acquisition of vehicles. Principle and interest requirements are funded by the normal operations of the Town within the appropriate fund.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

9. Long-Term Debt (continued)

<u>Capital Lease</u> <u>Date of issue</u>	<u>Original</u> <u>issue</u>	<u>Interest</u> <u>Rates</u>	<u>Final</u> <u>Maturity</u>	<u>Interest to</u> <u>Maturity</u>	<u>Principal</u> <u>Outstanding</u>	<u>Due within</u> <u>one year</u>
F-650 Trash Truck November 18, 2015	\$ 68,645	5.95%	8/18/2021	\$ 4,244	\$ 39,591	\$ 11,383
2017 Ford Police SUV March 30, 2017	29,445	5.65%	12/30/2019	757	15,128	9,943
2018 Ford F-150 January 8, 2018	29,589	6.15%	1/08/2021	1,614	20,578	6,548
					<u>\$ 75,297</u>	<u>\$ 27,874</u>

The following is a schedule of future minimum payments required under the leases as of June 30, 2018.

<u>Year Ending June 30</u>	<u>F-650</u> <u>Trash</u> <u>Truck</u>	<u>2017 Ford</u> <u>(Police</u> <u>SUV)</u>	<u>2018 Ford</u> <u>F-150</u>	<u>Total</u>
2019	\$ 13,488	\$ 10,590	\$ 7,397	\$ 31,475
2020	13,488	5,295	9,863	28,646
2021	13,487	-	4,932	18,419
2022	3,372	-	-	3,372
2023	-	-	-	-
Total minimum lease payments	43,835	15,885	22,192	81,912
Less: amount representing interest	(4,244)	(757)	(1,614)	(6,615)
Present value of minimum lease payments	\$ 39,591	\$ 15,128	\$ 20,578	\$ 75,297

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

9. **Long-Term Debt** (continued)

Summary of long-term obligations

Governmental Activities:

	<u>Bonds</u>	<u>Capital Leases</u>	<u>Total</u>
Balance at June 30, 2017	\$ 501,156	\$ 106,961	\$ 608,117
Additions	-	-	-
Deductions	(67,943)	(52,242)	(120,185)
Balance, June 30, 2018	<u>\$ 433,213</u>	<u>\$ 54,719</u>	<u>\$ 487,932</u>

Business-type Activities:

	<u>Bonds</u>	<u>Capital Leases</u>	<u>Total</u>
Balance at June 30, 2017	\$ 502,532	\$ -	\$ 502,532
Additions	244,377	27,245	271,622
Deductions	(28,758)	(6,667)	(35,425)
Balance, June 30, 2018	<u>\$ 718,151</u>	<u>\$ 20,578</u>	<u>\$ 738,729</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term general obligations, as shown on the statement of net position:

	<u>Bonds</u>	<u>Capital Leases</u>	<u>Total</u>
Current portion	\$ 109,044	\$ 27,874	\$ 136,918
Long-term portion	1,042,320	47,423	1,089,743
Total	<u>\$ 1,151,364</u>	<u>\$ 75,297</u>	<u>\$ 1,226,661</u>

10. **Dedicated Revenues and Restrictions**

Revenue Bond – Series 2007:

Under the terms of the revenue bond, a one percent sales tax collected is dedicated to the retirement of said bonds.

As set forth in Section 5.01(a) of the General Bond Ordinance, there shall be deposited into the Debt Service Account from the Sales and Use Tax Fund an amount sufficient to pay promptly and fully the principal of and interest on the Series 2017 Bond as they become due and payable.

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

11. Segments of Enterprise Activities

Two services, gas and water, are provided by the Town and are financed by user charges. The significant financial data for the year ended June 30, 2018 for those two services are as follows:

	<u>Gas Utility</u>	<u>Water Utility</u>	<u>Total</u>
Operating revenues	\$ 861,745	\$ 398,775	\$ 1,260,520
Operating expenses (excluding depreciation)	736,019	422,009	1,158,028
Depreciation	90,227	88,236	178,463
Operating income (loss)	35,499	(111,470)	(75,971)
Interest income	72	72	144
Interest expense	(5,831)	-	(5,831)
Change in net position	20,279	(60,943)	(40,664)
Acquisitions of capital assets	74,959	198,811	273,773
Net working capital	261,387	52,665	314,052
Total assets and deferred outflows	1,970,259	1,642,298	3,612,557
Total liabilities and deferred inflows	506,022	722,343	1,225,365
Bonds payable	186,760	531,391	718,151
Total net position	1,464,237	919,955	2,384,192

12. Individual Funds with Deficits

Expenses / expenditures exceeded revenues during the year ended June 30, 2018 for the following fund:

General Fund	\$ 22,158
Water Fund	60,943
	<u>\$ 83,101</u>

The deficit was covered by the fund balance or net position carried forward from previous years.

13. Pension and Retirement Plans

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

13. Pension and Retirement Plans (continued)

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

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

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

The Town implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the Town to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

Plan Descriptions:

Municipal Employees' Retirement System of Louisiana (MERS)

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

Municipal Police Employees' Retirement System (MPERS)

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The plan provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211 – 11:2233.

Funding Policy

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

13. Pension and Retirement Plans (continued)

Funding Policy (continued)

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2018, for the Town and covered employees were as follows:

	<u>Town</u>	<u>Employees</u>
Municipal Employees' Retirement System Plan B		
Members hired prior to 01/01/2013	13.25%	5.00%
Members hired after 01/01/2013	13.25%	5.00%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all hazardous Duty employees hired after 1/01/2013	30.75%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	33.75%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	34.25%	7.50%

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

	<u>7/1/2017 – 6/30/2018</u>	<u>9/1/2016 – 6/30/2017</u>	<u>YE 8/31/2016</u>
Municipal Employees' Retirement System Plan B	\$ 86,463	\$ 59,281	\$ 59,773
Municipal Police Employees' Retirement System	\$ 41,786	\$ 38,283	\$ 15,679

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

The following schedule lists the Town's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2017 measurement date. The Town uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2018 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2017 along with the change compared to the June 30, 2016 rate. The Town's proportion of the Net Pension Liability was based on the Town's contribution effort to the pension plan relative to the projected contribution effort of all participating employers.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

13. Pension and Retirement Plans (continued)

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

	<u>Net Pension Liability at June 30, 2017</u>	<u>Rate at June 30, 2017</u>	<u>Increase (Decrease) on June 30, 2016 Rate</u>
Municipal Employees' Retirement System Plan B	\$ 739,136	0.8543%	0.0163%
Municipal Police Employees' Retirement System	398,404	0.0456%	0.0270%
	<u>\$ 1,137,540</u>		

The following schedule lists each pension plan's recognized pension expense of the Town for the year ended June 30, 2018.

	<u>Pension Expense</u>	<u>Amortization</u>	<u>Total</u>
Municipal Employees' Retirement System Plan B	\$ 150,568	\$ (1,811)	\$ 148,757
Municipal Police Employees' Retirement System	57,124	29,718	86,842
	<u>\$ 207,692</u>	<u>\$ 27,907</u>	<u>\$ 235,599</u>

At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,480	\$ (19,109)
Changes of assumptions	60,895	-
Net difference between projected and actual earnings on pension plan investments	173,174	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	161,808	(59,590)
Employer contributions subsequent to the measurement date	128,249	-
Total	<u>\$ 530,606</u>	<u>\$ (78,699)</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

13. Pension and Retirement Plans (continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System Plan B	\$ 285,836	\$ (38,125)
Municipal Police Employees' Retirement System	244,770	(40,574)
	<u>\$ 530,606</u>	<u>\$ (78,699)</u>

The Town reported a total of \$128,249 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2019. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Municipal Employees' Retirement System Plan B	\$ 86,463
Municipal Police Employees' Retirement System	41,786
	<u>\$ 128,249</u>

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

<u>Year</u>	<u>MERS</u>	<u>MPERS</u>	<u>Total</u>
2018	\$ 58,937	\$ 39,571	\$ 98,508
2019	58,602	66,791	125,393
2020	36,704	65,397	102,101
2021	7,005	(9,349)	(2,344)
	<u>\$ 161,248</u>	<u>\$ 162,410</u>	<u>\$ 323,658</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

13. Pension and Retirement Plans (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2017 are as follows:

Valuation Date	<u>MERS</u>	<u>MPERS</u>
	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost
Actuarial Assumptions:		
Expected Remaining Service Lives	4 years	4 years
Investment Rate of Return	7.40%	7.325% net of investment expenses
Inflation Rate	2.775%	2.70%
Mortality	<p>For annuitant and beneficiary mortality tables used were RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA.</p> <p>For employees, the RP-2000 Employees Sex Distinct Table set back 2 years for both males and females.</p> <p>For disable Annuitants, RP-2000 Disable Lives Mortality Table set back 5 years for males and set back 3 years for females.</p>	<p>RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries.</p> <p>RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants.</p> <p>RP-2000 Employee Table set back 4 years for males and 3 years for females for active members</p>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

13. Pension and Retirement Plans (continued)

Actuarial Assumptions (continued)

Salary Increases	5.0%	<u>Years of Service</u>	Salary Growth Rate
		1-2	9.75%
		3-23	4.75%
		Over 23	4.25%

Cost of Living Adjustments

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

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

MERS

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.60% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rates of return is 7.20% for the year ended June 30, 2017.

MPERS

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.70 % and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long term rate of return is 8.19% for the year ended June 30, 2017.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

13. Pension and Retirement Plans (continued)

Actuarial Assumptions (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2017:

Asset class	Target Allocation		Long-Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public equity	50.0%	-	2.30%	-
Equity	-	53.0%	-	3.66%
Public fixed income	35.0%	-	1.60%	-
Fixed income	-	21.0%	-	0.52%
Alternatives	15.0%	20.0%	0.70%	1.10%
Other	-	6.0%	-	0.16%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>4.60%</u>	<u>5.44%</u>
Inflation			<u>2.60%</u>	<u>2.75%</u>
Expected arithmetic nominal return			<u>7.20%</u>	<u>8.19%</u>

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and MPERS was 7.40% and 7.33%, respectively for the year ended June 30, 2017.

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Rates	6.40%	7.40%	8.40%
Town of St. Francisville's Share of NPL	\$ 956,359	\$ 739,136	\$ 553,767
MPERS			
Rates	6.33%	7.33%	8.33%
Town of St. Francisville's Share of NPL	\$ 550,434	\$ 398,404	\$ 270,862

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

13. Pension and Retirement Plans (continued)

Payables to the Pension Plan

The Town recorded accrued liabilities to each of the Retirement Systems for the year ended June 30, 2017 mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables. At June 30, 2018, there were no amounts owed to the retirement systems.

14. Contingencies

The Town of St. Francisville is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the resolution of these matters is not expected to have a material adverse effect on the financial condition of the Town.

15. Interfund Receivables and Payables

Interfund receivables and payables are the result of transfers between funds or collections made on behalf of one fund for another which are expected to be paid within one year. There was no interfund receivables and payables as of June 30, 2018.

16. Tax Abatement

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP"). In addition, the local government has the authority to grant sales tax rebates to taxpayers pursuant to the Enterprise Zone Tax Rebate Program ("EZ Program"). For the year June 30, 2018, the Town did not participate in any Tax Exemption Programs.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MAJOR FUND DESCRIPTIONS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

SALES AND USE TAX FUND

The Sales and Use Tax Fund accounts for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to operating expenditures of the sanitary sewer system. All remaining proceeds from the tax may be used by the Town for any lawful purposes.

ECONOMIC DEVELOPMENT FUND

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

ENTERPRISE FUNDS

GAS FUND

The Gas Fund is used to account for the activities of providing natural gas to the residents of the Town. These activities include administration, operation, maintenance, financing and related debt service, and billing and collection.

WATER FUND

The Water Fund is used to account for the activities of providing water services to the residents of the Town. These activities include administration, operation, maintenance, financing and related debt service, and billing and collection.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Ad valorem taxes	\$ 138,877	\$ 131,275	\$ 137,481	\$ 6,206
Grants	247,150	443,948	443,947	(1)
Occupational licenses and permits	164,000	136,100	189,171	53,071
Intergovernmental	46,000	44,199	14,889	(29,310)
State supplemental pay	36,000	19,217	29,117	9,900
Charges for services	185,000	255,817	242,314	(13,503)
Fines and forfeitures	134,900	206,983	216,559	9,576
Interest	250	7,730	15,402	7,672
Miscellaneous	6,600	31,538	50,625	19,087
Total revenues	<u>958,777</u>	<u>1,276,807</u>	<u>1,339,505</u>	<u>62,698</u>
<u>EXPENDITURES</u>				
General government	421,225	169,453	203,237	(33,784)
Public safety	762,139	797,500	742,557	54,943
Streets	231,950	214,000	214,995	(995)
Capital outlay	-	465,000	466,325	(1,325)
Debt Service	-	-	29,139	(29,139)
Total expenditures	<u>1,415,314</u>	<u>1,645,953</u>	<u>1,656,253</u>	<u>(10,300)</u>
Excess of revenues over (under) expenditures	<u>(456,537)</u>	<u>(369,146)</u>	<u>(316,748)</u>	<u>52,398</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	150,000	325,000	294,590	(30,410)
Total other financing sources (uses)	<u>150,000</u>	<u>325,000</u>	<u>294,590</u>	<u>(30,410)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(306,537)</u>	<u>(44,146)</u>	<u>(22,158)</u>	<u>21,988</u>
<u>FUND BALANCE</u>				
Fund Balance at June 30, 2017	<u>1,664,944</u>	<u>1,664,944</u>	<u>1,664,944</u>	<u>-</u>
Fund Balance at June 30, 2018	<u>\$ 1,358,407</u>	<u>\$ 1,620,798</u>	<u>\$ 1,642,786</u>	<u>\$ 21,988</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SALES AND USE TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Taxes:				
Sales tax revenues	\$ 800,000	\$ 979,000	\$ 1,022,911	\$ 43,911
Charges for services	190,000	206,000	203,944	(2,056)
Interest	130	143	162	19
Miscellaneous	200	-	-	-
Total revenues	<u>990,330</u>	<u>1,185,143</u>	<u>1,227,017</u>	<u>41,874</u>
<u>EXPENDITURES</u>				
General government	507,550	507,200	444,418	62,782
Sanitation	207,000	236,550	207,916	28,634
Capital outlay	10,000	-	49,317	(49,317)
Debt service	120,750	90,000	88,524	1,476
Service charge	40	-	-	-
Total expenditures	<u>845,340</u>	<u>833,750</u>	<u>790,175</u>	<u>43,575</u>
Excess of revenues over expenditures	<u>144,990</u>	<u>351,393</u>	<u>436,842</u>	<u>85,449</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	-	120,000	80,000	(40,000)
Operating transfers out	(150,000)	(463,500)	(415,584)	47,916
Total other financing uses	<u>(150,000)</u>	<u>(343,500)</u>	<u>(335,584)</u>	<u>7,916</u>
Excess of revenues over (under) expenditures and other uses	(5,010)	7,893	101,258	93,365
<u>FUND BALANCE</u>				
Fund Balance at June 30, 2017	<u>428,288</u>	<u>428,288</u>	<u>428,288</u>	<u>-</u>
Fund Balance at June 30, 2018	<u>\$ 423,278</u>	<u>\$ 436,181</u>	<u>\$ 529,546</u>	<u>\$ 93,365</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Taxes:				
Hotel/Motel tax revenues	\$ 150,000	\$ 178,424	\$ 178,424	\$ -
Interest	500	2,084	2,125	41
Other	-	8,280	12,935	4,655
Total revenues	<u>150,500</u>	<u>188,788</u>	<u>193,484</u>	<u>4,696</u>
<u>EXPENDITURES</u>				
Culture, recreation, and economic development	<u>291,530</u>	<u>168,885</u>	<u>167,254</u>	<u>1,631</u>
Total expenditures	<u>291,530</u>	<u>168,885</u>	<u>167,254</u>	<u>1,631</u>
Excess of revenues over expenditures	<u>(141,030)</u>	<u>19,903</u>	<u>26,230</u>	<u>6,327</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers out	-	-	-	-
Operating transfers in	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures and other uses	<u>(141,030)</u>	<u>19,903</u>	<u>26,230</u>	<u>6,327</u>
<u>FUND BALANCE</u>				
Fund Balance at June 30, 2017	<u>170,940</u>	<u>170,940</u>	<u>170,940</u>	<u>-</u>
Fund Balance at June 30, 2018	<u>\$ 29,910</u>	<u>\$ 190,843</u>	<u>\$ 197,170</u>	<u>\$ 6,327</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA

SCHEDULE OF THE TOWN OF ST. FRANCISVILLE'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018 (*)

	<u>Employer's Proportion of the Net Pension Liability (Assets)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered- Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Municipal Employees' Retirement System (Plan B)					
2017	0.8543%	\$ 739,136	\$ 634,082	116.5679%	63.4909%
2016	0.8379%	694,566	613,631	113.1895%	63.3376%
2015	0.9056%	615,493	616,371	99.8576%	68.7136%
Municipal Police Employees' Retirement System					
2017	0.0456%	\$ 398,404	\$ 129,015	308.8044%	70.0815%
2016	0.0186%	174,342	52,104	334.6039%	66.0422%
2015	0.0229%	179,484	61,128	293.6199%	70.7303%

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

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

TOWN OF ST. FRANCISVILLE
St. Francisville, LA

SCHEDULE OF THE TOWN OF ST. FRANCISVILLE'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Contractually Required Contribution ¹</u>	<u>Contributions in Relation to Contractually Required Contribution ²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll ³</u>	<u>Contribution as a % of Covered Employee Payroll</u>
Municipal Employees' Retirement System (Plan B)					
2018	\$ 86,463	\$ 86,463	\$ -	\$ 652,550	13.2500%
2017	69,749	69,749	-	634,082	11.0000%
2016**	68,763	68,763	-	613,631	11.2059%
2015**	58,555	58,555	-	616,371	9.4950%
Municipal Police Employees' Retirement System					
2018	\$ 41,786	\$ 41,786	\$ -	\$ 135,890	30.7499%
2017	40,962	40,962	-	129,015	31.7498%
2016**	18,050	18,050	-	52,104	34.6423%
2015**	21,627	21,627	-	61,128	35.3799%

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

For reference only:

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

² *Actual employer contributions remitted to Retirement Systems*

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

****** *12 months ending 8/31*

TOWN OF ST. FRANCISVILLE

St. Francisville, LA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

Changes of Benefit Terms include:

Municipal Employee's Retirement System (Plan B)

- There was no changes of benefit terms for years ended June 30, 2018 and the year ended June 30, 2017.

Municipal Police Employee's Retirement System

- There was no changes of benefit terms for the years ended June 30, 2018 and the year ended June 30, 2017

Changes of Assumptions:

Municipal Employee's Retirement System (Plan B)

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

Discount Rate:

Year End	Measurement date	Rate	Change
6/30/2018	6/30/2017	7.800%	0.300%
6/30/2017	6/30/2016	7.500%	0.000%
8/31/2016	6/30/2016	7.500%	-0.250%
8/31/2015	6/30/2014	7.750%	

Inflation Rate:

Year End	Measurement date	Rate	Change
6/30/2018	6/30/2017	2.775%	-0.100%
6/30/2017	6/30/2016	2.875%	0.000%
8/31/2016	6/30/2016	2.875%	-0.125%
8/31/2015	6/30/2014	3.000%	

Salary Increases:

Year End	Measurement date	Rate	Change
6/30/2018	6/30/2017	5.000%	0.000%
6/30/2017	6/30/2017	5.000%	0.000%
8/31/2016	6/30/2016	5.000%	-0.750%
8/31/2015	6/30/2014	5.750%	

Merit:

Year End	Measurement date	Rate	Change
6/30/2018	6/30/2017	2.125%	0.000%
6/30/2017	6/30/2016	2.125%	0.000%
8/31/2016	6/30/2016	2.125%	-0.625%
8/31/2015	6/30/2014	2.750%	

Investment rate of return:

Year End	Measurement date	Rate	Change
6/30/2018	6/30/2017	7.400%	-0.100%
6/30/2017	6/30/2016	7.500%	0.000%
8/31/2016	6/30/2016	7.500%	-0.250%
8/31/2015	6/30/2014	7.750%	

Municipal Police Employee's Retirement System

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

Discount Rate:

Year End	Measurement date	Rate	Change
6/30/2018	6/30/2017	7.325%	-0.175%
6/30/2017	6/30/2016	7.500%	

Inflation Rate:

Year End	Measurement date	Rate	Change
6/30/2018	6/30/2017	2.700%	-0.175%
6/30/2017	6/30/2016	2.875%	0.000%
8/31/2016	6/30/2016	2.875%	-0.125%
8/31/2015	6/30/2014	3.000%	

Salary Increases:

No changes for the year presented.

Merit:

No changes for the year presented.

Investment rate of return:

Year End	Measurement date	Rate	Change
6/30/2018	6/30/2017	7.325%	-0.175%
6/30/2017	6/30/2016	7.500%	

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
FOR THE YEAR ENDED JUNE 30, 2018

Mayor:		
William H. D'Aquila	\$	12,000
Aldermen:		
Abby Temple Cochran		3,600
James R. Leake, Jr.		3,600
Gigi Robertson		3,600
Susie Tully		3,600
Bryan Kelley		3,600
	\$	<u>30,000</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2018

Agency Head Name/Title: Mayor Billy D'Aquila

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 12,000
Benefits - insurance	-
Benefits - retirement	1,590
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	365
Conference travel	601
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<u>\$ 14,556</u>



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A Professional Accounting Corporation

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Town of St. Francisville, Louisiana, (The Town) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of St. Francisville, Louisiana's basic financial statements and have issued our report thereon dated December 14, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations that we consider to be significant deficiencies. [2018-001, 2018-002]



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of St. Francisville, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations. [2018-003]

Town of St. Francisville, Louisiana's Response to Findings

The Town of St. Francisville, Louisiana's response and to the findings and recommendations identified in our audit is described in the accompanying schedule of findings and recommendations and the corrective action plan on page 60-61 and 65-66 respectively. The Town of St. Francisville, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Donaldsonville, LA
December 14, 2018

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED JUNE 30, 2018

SECTION I. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal Control over Financial Reporting:		
• Material weakness(es) identified?	_____ yes	___X___ no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___X___ yes	_____ none reported
Noncompliance material to financial statements noted?	___X___ yes	_____ no

SECTION II. FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

None

SIGNIFICANT DEFICIENCIES

2018-001 Internal control over disbursement approval

Condition: The established budgetary controls and approval process for transactions were not consistently executed as follows:

- Purchases are not consistently initiated without the use of a purchase order, and
- One instance where employee payroll was processed without proper documented approval.

Criteria: Policies and procedures should be adequate within the Town's accounting department to provide effective internal control for approval and process procedures over disbursements and payroll, and for the required use of purchase orders.

Cause – Town employees are not adhering to the internal control policies and procedures over disbursements, payroll, and the use of purchase orders.

Effect: The lack of approval by appropriate personnel does not provide effective internal control.

Recommendation: The Town's management should establish and enforce policies and procedures for proper documented approval over disbursements and payroll. The Town's management should establish and enforce policies and procedures for the use of purchase orders, including which types of transactions should include the use of purchase orders, and which transactions may be exempt from the use of purchase orders.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED JUNE 30, 2018

SECTION II. FINANCIAL STATEMENT FINDINGS (continued)

SIGNIFICANT DEFICIENCIES (continued)

2018-002 Internal control over bank reconciliations

Criteria: Policies and procedures of the Town should provide for the timely preparation and review of reconciliations between subsidiary records and the general ledger including bank reconciliations.

Condition: Transactions were reported in the incorrect period by using an incorrect "Accounting Date" when entries were posted after year end, therefore year end bank reconciliations were not correct.

Cause: The software system requires an "accounting date" to be entered before transactions are posted. The incorrect accounting date was used for transactions posted after year end and affected general ledger balances and bank reconciliations.

Effect: The Town's bank reconciliations did not reflect proper balances at year end when compared to general ledger balances.

Recommendation: Management should establish procedures to ensure transactions are being posted with the proper "accounting dates" in the software system, to allow for the timely completion and review of bank reconciliations.

COMPLIANCE WITH STATE LAWS AND REGULATIONS

2018-003 Security of Deposits

Criteria: Louisiana law (R.S. 39:1225) states that the amount of the security shall at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposits insured by any governmental agency insuring bank deposits which is organized under the laws of the United States.

Condition: Deposit amounts exceeding the FDIC insured limit were not secured by collateral.

Cause: The Town did not ensure deposit amounts exceeding FDIC limits were properly secured by collateral.

Effect: The Town was in violation of Louisiana Law. Having deposits that were not properly secured by collateral and exposed the Town to risks that may potentially result in losses to the Town.

Recommendation: The Town should establish policies and procedures over the monitoring of securities of deposits to ensure all amounts exceeding FDIC limits are properly secured.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not Applicable



11936 Ferdinand Street • P.O. Box 400 • St. Francisville, LA 70775
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Mayor • William (Billy) D'Aquila • *Alderman* • James R. Leake • Susanne Tully • Gigi Robertson • Bryan Kelley • Abby T. Cochran

We love it here

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018

MATERIAL WEAKNESS

None

SIGNIFICANT DEFICIENCIES

2017-001 Internal control over invoice approval

Condition: While testing internal controls and compliance with Statewide agreed upon procedures, we noted:

- Several instances where payments for purchases were processed without proper documented approval.
- Several purchases that were initiated without the use of a purchase order, and
- Two instances where employee payroll was processed without proper documented approval.

Current Status: There is a similar finding noted in the current year.

COMPLIANCE WITH STATE LAWS AND REGULATIONS

None

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SCHEDULE OF INSURANCE-IN-FORCE (UNAUDITED)
JUNE 30, 2018

<u>Coverage</u>	<u>Insurance Company</u>	<u>Expiration Date</u>	<u>Liability Limits</u>
Commercial property	Alterra America Insurance Company	3/7/2019	\$3,396,059 Building & Business Personal Property
Inland marine	Alterra America Insurance Company	3/7/2019	\$327,013 Contractors Equipment \$100,000 Leased or rented items
Business Auto	Atlantic Specialty Insurance Company	3/7/2019	\$1,000,000 Combined Single Limit Liability
General liability	Atlantic Specialty Insurance Company	3/7/2019	\$1,000,000 each loss; \$2,000,000 aggregate
Crime Bond	Travelers Casualty & Surety Co of America	3/7/2019	Employee Theft: \$100,000
Employment practices liability	Atlantic Specialty Insurance Company	3/7/2019	\$1,000,000 each loss; \$2,000,000 aggregate
Law enforcement officer liability	Atlantic Specialty Insurance Company	3/7/2019	\$1,000,000 each loss; \$2,000,000 aggregate
Public entity management liability	Atlantic Specialty Insurance Company	3/7/2019	\$1,000,000 each loss; \$2,000,000 aggregate
Employee benefits liability	Atlantic Specialty Insurance Company	3/7/2019	\$1,000,000 each loss; \$2,000,000 aggregate
Workers' compensation	La. Municipal Risk Management Agency	10/1/2019	Statutory
Surety bonds	Record Insurance	10/1/2019	\$100,000 town clerk and tax collector; \$10,000 other officials and employees
Position scheduled bond	Record Insurance	6/9/2019	\$50,000 each for mayor, town clerk, bookkeeper, plant controller
Boiler & Machinery	Hartford Steam Boiler Inspection & Ins. Co.	3/7/2019	Equipment Breakdown limit: \$50,000,000
Cyber Liability	BCS Insurance Company	3/7/2019	\$1,000,000 Combined Single Limit Liability

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SCHEDULE OF GAS AND WATER RATES (UNAUDITED)
JUNE 30, 2018

RESIDENTIAL CUSTOMERS – GAS

\$12.00 minimum monthly bill 0 to 1,000 cubic feet
\$10.67 all excess per 1,000 cubic feet
Effective April 1, 2010 Billing, all out of town customers add \$1.00 to minimum monthly bill.

SMALL BUSINESS CUSTOMERS – GAS

\$15.00 minimum monthly bill 0 to 1,000 cubic feet
\$10.99 all excess per 1,000 cubic feet

BUSINESS CUSTOMERS – GAS

\$30.00 minimum monthly bill 0 to 1,000 cubic feet
\$10.42 all excess per 1,000 cubic feet

RESIDENTIAL CUSTOMERS - WATER

\$14.00 per month for the first 2,000 gallons
\$2.80 all excess per 1,000 gallons

SMALL BUSINESS CUSTOMERS - WATER

\$20.00 per month for the first 2,000 gallons
\$3.00 all excess per 1,000 gallons

BUSINESS CUSTOMERS - WATER

\$60.00 per month for the first 10,000 gallons
\$2.50 all excess per 1,000 gallons



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We love it here

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018

SECTION II. FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

None

SIGNIFICANT DEFICIENCIES

2018-001 Internal control over disbursement approval

Condition: The established budgetary controls and approval process for transactions were not consistently executed as follows:

- Purchases are not consistently initiated without the use of purchase order, and
- One instance where employee payroll was processed without proper documented approval.

Criteria: Policies and procedures should be adequate within the Town's accounting department to provide effective internal control for approval and process procedures over disbursements and payroll, and for the required use of purchase orders.

Cause: Town employees are not adhering to the internal control policies and procedures over disbursements, payroll, and the use of purchase orders.

Effect: The lack of approval by appropriate personnel does not provide effective internal control.

Recommendation: The Town's management should establish and enforce policies and procedures for proper documented approval over disbursements and payroll. The Town's management should establish and enforce policies and procedures for the use of purchase orders, including which types of transactions should include the use of purchase orders, and which transactions may be exempt from the use of purchase orders.

Response: The Town will clarify and enforce our policies and procedures to ensure proper documented approval over disbursements and payroll. Employees will be instructed as to which transactions require the use of purchase order, and which transactions are exempt from the use of purchase orders. Before processing pay request, the payroll clerk will verify that all time sheets have documented approval by the appropriate supervisor.

SECTION II. FINANCIAL STATEMENT FINDINGS (continued)

2018-002 Internal control over bank reconciliations

Criteria: Policies and procedures of the Town should provide for the timely preparation and review of reconciliations between subsidiary records and the general ledger including bank reconciliations.

Condition: Transactions were reported in the incorrect period by using and incorrect "Accounting Date" when entries were posted after year end, therefore year end bank reconciliations were not correct.

Cause: The software system required an "accounting date" to be entered before transactions are posted. The incorrect accounting date was used for transactions posted after year end and affected general ledger balances and bank reconciliations.

Effect: The Town's bank reconciliations did not reflect proper balances at year end when compared to general ledger balances.

Recommendation: Management should establish procedures to ensure transactions are being posted with the proper "accounting dates" in the software system, to allow for the timely completion and review of bank reconciliations.

Response: The error was due to the accounting system being new for 2017/2018 fiscal year. Employees entering accounting transactions have been advised as to the importance of properly dating end of year transactions and special care will be given to end of year transactions.

COMPLIANCE WITH STATE LAWS AND REGULATIONS

2018-003 Security of deposits

Criteria: Louisiana law (R.S. 39:1225) states that the amount of the security shall at all times be equal to one hundred percent of the amount of collected funds on deposits to the credit of each depositing authority except that portion of the deposits insured by any governmental agency insuring bank deposits which is organized under the laws of the United States.

Condition: Deposit amounts exceeding the FDIC insured limit were not secured by collateral.

Cause: The Town did not ensure deposit amounts exceeding FDIC limits were properly secured by collateral.

Effect: The Town was in violation of Louisiana Law. Having deposits that were not properly secured by collateral and exposed the Town to risk that may potentially result in losses to the Town.

Recommendation: The Town should establish policies and procedures of the monitoring of securities of deposits to ensure all amounts exceeding FDIC limits are properly secured.

Response: The Town will meet with the banks and work with them to establish a procedure for monitoring security deposits to ensure that all amounts exceeding FDIC limits are properly secured.

Sincerely,



Billy D'Aquila, Mayor
Town of St. Francisville
December 14, 2018

TOWN OF ST. FRANCISVILLE
LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT
FOR THE YEAR ENDED JUNE 30, 2018

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable William D'Aquilla, Mayor
and Members of the Board of Alderman
Town of St. Francisville, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Town of St. Francisville, Louisiana (The Town) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 01, 2017 through June 30, 2018. The Town's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, the results will read "procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed – Upon Procedures."

Written Policies and Procedures

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

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

No exceptions noted.

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

No exceptions noted.

- c) **Disbursements**, including processing, reviewing, and approving

No exceptions noted.

- d) **Receipts**, 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).

No exceptions noted.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

No exceptions noted.

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

No exceptions noted.

- g) **Credit Cards (and debit cards, fuel cards, P-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)

No exceptions noted.

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

No exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

No exceptions noted.

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

No exceptions noted.

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.

No exceptions noted.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Budget to actual comparisons for all major funds were not included in monthly board meetings.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

No exceptions noted.

Bank Reconciliations

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

A listing of bank accounts was provided and included a total of 20 bank accounts excluding savings and investment accounts. Management identified the entity's main operating account. A signed representation by management was obtained on the completeness of the listing provided.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending January 31, 2018, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- 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);

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- 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.

Of the 5 bank accounts selected, 3 bank reconciliations had reconciling items that have been outstanding for more than 12 months. For 2 of the 3 bank reconciliations that had reconciling items that have been outstanding for more than 12 months the client could not provide sufficient supporting documentation to show the reconciling items were researched for proper disposition.

Collections

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

- c) Each employee responsible for collecting cash is not 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.

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

- a) Observe that receipts are sequentially pre-numbered.

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

- 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).

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

Non-payroll Disbursements (excluding card purchases/payments, 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 is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided. A signed representation by management was obtained on the completeness of the listing provided.

From the listing provided, the entity only has 1 location for processing payments, we performed the procedures below.

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

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

Inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- d) Either the employee/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.

Per the entity's policies, the employee that processes payments is also responsible for mailing the checks after they are signed.

10. For each location selected under #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 listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. A signed representation by management was obtained on the completeness of the listing provided.

From the listing provided, we randomly selected 5 disbursements and performed the procedures below.

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exceptions noted.

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

No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

- a) Observe that 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) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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).

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

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

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

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. A signed representation by management was obtained on the completeness of the listing provided.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Of the 5 reimbursements selected for our procedures, 4 used a per diem. No exceptions noted.

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

No exceptions noted.

- 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 policy (procedure #1h).

No exceptions noted.

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

No exceptions noted.

Contracts

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

- 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.

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

Payroll and Personnel

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

A listing of employees/elected officials employed during the fiscal year was provided. A signed representation by management was obtained on the completeness of the listing provided.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.

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

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.

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

No exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

No exceptions noted.

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

No exceptions noted.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.:

A listing of employees/officials receiving termination payments during the fiscal period was provided. A signed representation by management was obtained on the completeness of the listing provided.

No exceptions noted.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions noted.

Ethics

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

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

Debt Service

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

Other

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

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

24. 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.

Procedure was rotated in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUP's. 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.

The purpose of this report is 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.

Sincerely,

Postlethwaite & Netterville

December 14, 2018



11936 Ferdinand Street • P. O. Box 400 • St. Francisville, LA 70775
Phone (225) 635-3688 • Fax (225) 635-6984 • email: townhall@townofstf.com

Mayor • William (Billy) D'Aquila • Alderman • James R. Leake • Susanne Tully • Gigi Robertson • Bryan Kelley • Abby T. Cochran

We love it here

December 14, 2018

Management's Response to Agreed-Upon Procedures Report

Board or Finance Committee

2.b) Management will provide monthly budget-to-actual comparisons to the Board of Alderman. This will include General Fund & any additional funds identified as major funds.

Bank Reconciliations

3.c) Management will review outstanding items on bank reconciliations, research the items and determine appropriate action to take, if any, regarding those transactions.

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

9.d) The Town will revise our policies so that after an employee prints bill payments, the checks and bills will be given to a second employee for final processing and mail out.

Sincerely,

A handwritten signature in blue ink that reads "Billy D'Aquila".

Billy D'Aquila, Mayor
Town of St. Francisville