



*Town  
of  
St. Francisville*



*June 30, 2020  
Financial Statements*



**TOWN OF ST. FRANCISVILLE, LOUISIANA**

**FINANCIAL REPORT**

**JUNE 30, 2020**

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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

### **Report on the Financial Statements**

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, 2020, and the related notes to the financial statements, which collectively comprise the Town'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, 2020, 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 pages 48 through 50, schedule of the Town's proportionate share of net pension liability on page 51, the schedule of the Town's contributions on page 52, and the notes to required supplementary information on page 53 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, the schedule of compensation, benefits, other payments to agency head, the schedule of insurance-in-force, and the schedule of gas and water rates are presented for purposes of additional analysis and are 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 dated October 20, 2020 on our consideration of the Town's, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's, internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

Donaldsonville, LA  
October 20, 2020

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**



**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

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, 2020. Please read it in conjunction with the Town's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The Town's combined total net position, as restated increased by approximately \$19,200 or .3% over the course of this year's operations. Net position as restated of our governmental activities increased approximately \$129,600 or 2.4% while net position of our business-type activities decreased approximately \$110,500 or 5.0%.
- The general fund reported approximately \$1.7 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, 2020**

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

	<b>Fund Statements</b>		
	<b><u>Government-wide Statements</u></b>	<b><u>Governmental Funds</u></b>	<b><u>Proprietary Funds</u></b>
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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expense, and changes in net position</li> <li>• Statement of cash flows</li> </ul>
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, 2020**

**Government-wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

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

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

	<b>Table A-1</b>			
	<b>Town's Net Position</b>			
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2020</b>	<b>2019 Restated</b>	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>				
Current and other assets	\$ 2,648,509	\$ 2,604,739	\$ 455,685	\$ 407,772
Capital assets	3,631,342	3,890,571	2,698,795	2,879,107
<b>TOTAL ASSETS</b>	<b>6,279,851</b>	<b>6,495,310</b>	<b>3,154,480</b>	<b>3,286,879</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related	261,429	324,702	120,008	125,891
Asset retirement obligation	250,000	-	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>511,429</b>	<b>324,702</b>	<b>120,008</b>	<b>125,891</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>6,791,280</b>	<b>6,820,012</b>	<b>3,274,488</b>	<b>3,412,770</b>
<b>LIABILITIES</b>				
Current liabilities	215,785	425,209	215,084	197,053
Long-term liabilities	1,049,985	1,038,619	956,356	998,632
<b>TOTAL LIABILITIES</b>	<b>1,265,770</b>	<b>1,463,828</b>	<b>1,171,440</b>	<b>1,195,685</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related	90,843	51,102	16,917	20,523
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>1,356,613</b>	<b>1,514,930</b>	<b>1,188,357</b>	<b>1,216,208</b>
<b>NET POSITION</b>				
Net investment in capital assets	3,545,717	3,393,879	2,043,948	2,162,409
Restricted	8,901	10,901	12,249	11,403
Unrestricted	1,880,049	1,900,302	29,934	22,750
<b>TOTAL NET POSITION</b>	<b>\$ 5,434,667</b>	<b>\$ 5,305,082</b>	<b>\$ 2,086,131</b>	<b>\$ 2,196,562</b>

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

**Change in net position.** The Town's total net position, as restated increased approximately \$19,200 (See Table A-2).

Approximately 38.8 percent of the Town's revenue comes from charges for services, and 36 percent comes from tax collections.

The total cost of all programs and services decreased by approximately \$107,000 or 2.8%.

	<b>Table A-2</b>			
	<b>Changes in Town's Net Position</b>			
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2019</b>		<b>2019</b>	
	<b>2020</b>	<b>Restated</b>	<b>2020</b>	<b>2020</b>
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 212,873	\$ 205,002	\$ 1,225,723	\$ 1,180,032
Operating grants and contributions	85,000			
Capital grants and contributions	10,003	6,418	-	-
General revenues				
Taxes	1,335,038	1,402,808	-	-
Licenses and permits	106,729	97,611	-	-
Intergovernmental	48,140	41,554	-	-
Fines	247,919	289,159	-	-
Miscellaneous	421,325	424,853	11,391	10,935
<b>Total revenues</b>	<b>2,467,027</b>	<b>2,467,405</b>	<b>1,237,114</b>	<b>1,190,967</b>
<b>Expenses</b>				
General government	740,827	848,736	-	-
Public safety	799,032	772,160	-	-
Streets	311,873	344,215	-	-
Sewer operations	320,005	289,207	-	-
Economic development	185,426	181,058	-	-
Business-type expenses	-	-	1,320,346	1,348,651
Debt service expenses:				
Interest and fiscal charges	7,478	8,013	-	-
<b>Total expenses</b>	<b>2,364,641</b>	<b>2,443,389</b>	<b>1,320,346</b>	<b>1,348,651</b>
<b>Increase (decrease) in net position before transfers</b>	<b>102,386</b>	<b>24,016</b>	<b>(83,232)</b>	<b>(157,684)</b>
Transfers (to) from	27,199	29,946	(27,199)	(29,946)
<b>Increase (decrease) in net position</b>	<b>129,585</b>	<b>53,962</b>	<b>(110,431)</b>	<b>(187,630)</b>
Beginning net position, restated	5,305,082	5,251,120	2,196,562	2,384,192
Net position	<b>\$ 5,434,667</b>	<b>\$ 5,305,082</b>	<b>\$ 2,086,131</b>	<b>\$ 2,196,562</b>

**Governmental Activities**

Revenues for the Town's governmental activities decreased by less than 1 percent, while total expenses increased approximately \$79,000 or 3.2 percent.

**Business-Type Activities**

Revenues for the Town's business-type activities increased approximately \$46,000 or 3.9 percent and costs of services decreased approximately \$28,000 or 2.0 percent.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

For the year ended June 30, 2020, its governmental funds reported a combined fund balance of approximately \$2.7 million while the enterprise funds reported combined net position of approximately \$2.1 million.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Town Council revised the Town's General Fund budget to adjust various revenues and expenditures. The amended budget reflected primarily changes in revenues related to fines and penalties with an increase of approximately \$66,000. In addition to an increase in expenses related to salaries with an increase of approximately \$28,000. With the final budget, actual revenues were approximately \$19,500 more than final budgeted revenues in total and actual expenditures and other financing sources were approximately \$17,500 more than the total final budgeted expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At June 30, 2020, the Town had invested approximately \$6.3 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 decrease (including additions and deductions) of \$439,541 over last year.

	<b>Table A-3</b>			
	<b>Town's Capital Assets</b>			
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Improvements other than buildings	\$ 3,982,147	\$ 3,971,287	\$ 973,759	\$ 973,759
Buildings	880,666	877,509	497,005	497,005
Equipment	2,862,198	2,805,074	4,844,496	4,842,200
Land	715,886	715,886	6,523	6,523
Infrastructure	537,902	537,902	-	-
Construction in progress	39,737	11,961	-	-
Accumulated depreciation	(5,387,194)	(5,029,048)	(3,622,988)	(3,440,380)
<b>Total</b>	<b>\$ 3,631,342</b>	<b>\$ 3,890,571</b>	<b>\$ 2,698,795</b>	<b>\$ 2,879,107</b>

This year's major capital asset additions include:

- Construction in progress related to the Wastewater Treatment Plant in the amount of approximately \$27,800.
- Various equipment purchased for the police and fire department in the amount of approximately \$55,600.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

**Long-term debt.** At the end of the current fiscal year, the Town had long-term debt outstanding of \$797,954 as compared to \$1,263,769 in the prior year, a decrease of \$465,815 or 36.9 percent. (See Table A-4). More information about the Town's long-term liabilities is presented in Note 8 to the financial statements.

	<b>Table A-4</b>			
	<b>Town's Outstanding Debt</b>			
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Sales Tax Revenue Refunding Bond	\$ -	\$ 86,000	\$ -	\$ -
Utility Revenue Bond	-	-	636,423	681,978
Revenue Bond	57,973	121,193	-	-
Revolving Loan-DEQ Sewer Upgrade	-	152,165	-	-
Capital Leases	27,652	137,334	16,700	34,720
Compensated Absences	37,697	30,001	21,509	20,378
<b>Total</b>	<b>\$ 123,322</b>	<b>\$ 526,693</b>	<b>\$ 674,632</b>	<b>\$ 737,076</b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

The Town ordered and called a special election to be held December 5, 2020, for the authorizing the levy and collection of a one-half of one percent (1/2%) sales and use tax for a period of fifteen (15) years, beginning April 1, 2021, for the purpose of the Town's sewerage facilities. The cost related to the proposed new waste water system is estimated to be \$5,700,000.

The world-wide pandemic associated with COVID-19 has spread across the state of Louisiana, including St. Francisville. COVID-19 has had a minimal impact on the operations of the Town, but has a bigger impact on certain businesses within the Town. The Town does not anticipate any significant impact in next year's budget.

**RESTATEMENT OF PRIOR YEAR END FUND BALANCE AND NET POSITION**

Fund balance of the Sales Tax Fund within the fund financial statements was restated as of June 30, 2019. The increases to prior period fund balances are the result of sales tax revenue not accrued in the prior fiscal year.

Net position of the Governmental Activities within the government-wide financial statements was restated as of June 30, 2019. The increases to prior period fund balances are the result of sales tax revenue not accrued in the prior fiscal year. See Note 17 to the financial statements.

**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, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 558,446	\$ 231,615	\$ 790,061
Investments	1,804,687	2,105	1,806,792
Accounts receivable, net	18,186	83,616	101,802
Internal balances	(4,819)	4,819	-
Due from other governmental units	184,291	-	184,291
Other receivables	32,168	2,087	34,255
Prepaid insurance	46,649	29,316	75,965
Cash and cash equivalents - restricted	8,901	102,127	111,028
Land, building, and equipment, net	3,631,342	2,698,795	6,330,137
Total assets	<u>6,279,851</u>	<u>3,154,480</u>	<u>9,434,331</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension related	261,429	120,008	381,437
Asset retirement obligation	250,000	-	250,000
Total outflows of resources	<u>511,429</u>	<u>120,008</u>	<u>631,437</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	27,013	17,796	44,809
Accrued payables	60,234	21,518	81,752
Accrued interest payable	-	1,724	1,724
Claims payable	56,500	-	56,500
Customer deposits	-	89,878	89,878
Compensated absences	37,697	21,509	59,206
Long-term liabilities:			
Net pension liability	748,701	365,892	1,114,593
Asset retirement obligation	250,000	-	250,000
Debt payable			
Due within one year	34,341	62,659	97,000
Due in more than one year	51,284	590,464	641,748
Total liabilities	<u>1,265,770</u>	<u>1,171,440</u>	<u>2,437,210</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension related	90,843	16,917	107,760
Total deferred inflows of resources	<u>90,843</u>	<u>16,917</u>	<u>107,760</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	3,545,717	2,043,948	5,589,665
Restricted	8,901	12,249	21,150
Unrestricted	1,880,049	29,934	1,909,983
Total net position	<u>\$ 5,434,667</u>	<u>\$ 2,086,131</u>	<u>\$ 7,520,798</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, 2020**

	Program Revenues			Net Program (Expense)/Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>Functions/Programs</b>							
<b>Governmental activities:</b>							
General government	\$ 740,827	\$ -	\$ 85,000	\$ -	\$ (655,827)	\$ -	\$ (655,827)
Public safety	799,032	-	-	6,592	(792,440)	-	(792,440)
Streets	311,873	-	-	3,411	(308,462)	-	(308,462)
Sewer operations	320,005	212,873	-	-	(107,132)	-	(107,132)
Economic development	185,426	-	-	-	(185,426)	-	(185,426)
<b>Debt service:</b>							
Interest and fiscal charges	7,478	-	-	-	(7,478)	-	(7,478)
<b>Total governmental activities</b>	<b>2,364,641</b>	<b>212,873</b>	<b>85,000</b>	<b>10,003</b>	<b>(2,056,765)</b>	<b>-</b>	<b>(2,056,765)</b>
<b>Business-type activities:</b>							
Gas services	811,597	768,204	-	-	-	(43,393)	(43,393)
Water services	508,749	457,519	-	-	-	(51,230)	(51,230)
<b>Total business-type activities</b>	<b>1,320,346</b>	<b>1,225,723</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(94,623)</b>	<b>(94,623)</b>
<b>Total primary government</b>	<b>\$ 3,684,987</b>	<b>\$ 1,438,596</b>	<b>\$ 85,000</b>	<b>\$ 10,003</b>	<b>(2,056,765)</b>	<b>(94,623)</b>	<b>(2,151,388)</b>
<b>General revenues:</b>							
Ad valorem taxes					147,092	-	147,092
Sales and use taxes					1,187,946	-	1,187,946
Licenses and permits					106,729	-	106,729
Intergovernmental revenue					48,140	-	48,140
Earnings on investments					29,996	155	30,151
Fines					247,919	-	247,919
Other					391,329	11,236	402,565
Transfers (to) from other funds					27,199	(27,199)	-
<b>Total general revenues</b>					<b>2,186,350</b>	<b>(15,808)</b>	<b>2,170,542</b>
Change in net position					129,585	(110,431)	19,154
Net Position - June 30, 2019, restated					5,305,082	2,196,562	7,501,644
Net Position - June 30, 2020					<b>\$ 5,434,667</b>	<b>\$ 2,086,131</b>	<b>\$ 7,520,798</b>

The accompanying notes are an integral part of this statement.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2020**

	General	Sales and Use Tax	Economic Development	Total Governmental Funds
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 39,721	\$ 415,107	\$ 103,618	\$ 558,446
Investments	1,653,029	-	151,658	1,804,687
Accounts receivable, net	-	18,186	-	18,186
Due from other governmental units	8,881	175,410	-	184,291
Other receivables	32,168	-	-	32,168
Prepaid insurance	29,991	16,658	-	46,649
Cash and cash equivalents - restricted	-	8,901	-	8,901
	<u>\$ 1,763,790</u>	<u>\$ 634,262</u>	<u>\$ 255,276</u>	<u>\$ 2,653,328</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Salaries, payroll deductions, and withholdings payable	\$ 34,042	\$ 22,654	\$ 3,538	\$ 60,234
Accounts payable	17,838	8,214	961	27,013
Internal balances	6,437	(1,618)	-	4,819
	<u>58,317</u>	<u>29,250</u>	<u>4,499</u>	<u>92,066</u>
Fund balances:				
Nonspendable	29,991	16,658	-	46,649
Restricted				
Debt service	-	8,901	-	8,901
Sanitary sewer system operations	-	579,453	-	579,453
Economic development	-	-	250,777	250,777
Unassigned, reported in General Fund	1,675,482	-	-	1,675,482
	<u>1,705,473</u>	<u>605,012</u>	<u>250,777</u>	<u>2,561,262</u>
Total liabilities and fund balances	<u>\$ 1,763,790</u>	<u>\$ 634,262</u>	<u>\$ 255,276</u>	<u>\$ 2,653,328</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, 2020**

Total fund balances at June 30, 2020 - governmental funds		\$ 2,561,262
Cost of capital assets at June 30, 2020	9,018,536	
Less: accumulated depreciation as of June 30, 2020	<u>(5,387,194)</u>	3,631,342
Long-term assets at June 30, 2020		
Deferred outflows - pension related	261,429	
Deferred outflows - asset retirement obligation	<u>250,000</u>	511,429
Long-term liabilities at June 30, 2020		
Obligations under capital lease	(27,652)	
Revenue bond	(57,973)	
Compensated absences payable	(37,697)	
Claims payable	(56,500)	
Net pension liability	(748,701)	
Asset retirement obligation	(250,000)	
Deferred inflows - pension related	<u>(90,843)</u>	
		<u>(1,269,366)</u>
Total net position at June 30, 2020 - governmental activities		<u>\$ 5,434,667</u>

The accompanying notes are an integral part of this statement.

**TOWN OF ST. FRANCISVILLE**

**St. Francisville, LA**

**GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General</u>	<u>Sales and Use Tax</u>	<u>Economic Development</u>	<u>Total</u>
<b><u>REVENUES</u></b>				
Taxes	\$ 147,092	\$ 1,009,522	\$ -	\$ 1,156,614
Hotel/Motel tax	-	-	178,424	178,424
Grants	10,003	85,000	-	95,003
Occupational licenses and permits	106,729	-	-	106,729
Intergovernmental	17,624	-	-	17,624
State supplemental pay	30,516	-	-	30,516
Charges for services	-	212,873	-	212,873
Other charges	235,372	-	-	235,372
Fines and forfeitures	247,919	-	-	247,919
Interest	26,462	951	2,583	29,996
Other	123,321	-	12,683	136,004
Total revenues	<u>945,038</u>	<u>1,308,346</u>	<u>193,690</u>	<u>2,447,074</u>
<b><u>EXPENDITURES</u></b>				
General government	204,298	466,807	-	671,105
Public safety	736,672	-	-	736,672
Streets	178,884	-	-	178,884
Sewer operations	-	245,703	-	245,703
Culture, recreation, and economic development	-	-	146,258	146,258
Capital outlay	50,875	-	1,123	51,998
Debt service:				
Principal or lease retirement	28,044	383,023	-	411,067
Interest and fiscal charges	2,740	8,363	-	11,103
Total expenditures	<u>1,201,513</u>	<u>1,103,896</u>	<u>147,381</u>	<u>2,452,790</u>
Excess of revenues (under) over expenditures	<u>(256,475)</u>	<u>204,450</u>	<u>46,309</u>	<u>(5,716)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in	291,427	51,990	-	343,417
Operating transfers out	(3,390)	(312,828)	-	(316,218)
Total other financing sources (uses)	<u>288,037</u>	<u>(260,838)</u>	<u>-</u>	<u>27,199</u>
Net Change in Fund Balance	31,562	(56,388)	46,309	21,483
<b><u>FUND BALANCE</u></b>				
Fund Balance at June 30, 2019, restated	1,673,911	661,400	204,468	2,539,779
Fund Balance at June 30, 2020	<u>\$ 1,705,473</u>	<u>\$ 605,012</u>	<u>\$ 250,777</u>	<u>\$ 2,561,262</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, 2020**

Total net changes in fund balance - governmental funds		\$ 21,483
Capital assets:		
Capital outlay and other expenditures capitalized	98,917	
Depreciation expense for the year ended June 30, 2020	<u>(358,146)</u>	(259,229)
Long-term debt:		
Principal portion of debt payments	301,385	
Capital lease payments	109,682	
Excess of interest paid over interest accrued	885	
Excess of compensated absences accrued over amounts paid	(7,696)	
Claims incurred	<u>25,000</u>	429,256
Net change in pension liability and deferred inflows/outflows of resources		<u>(61,925)</u>
Change in net position - governmental activities		<u>\$ 129,585</u>

The accompanying notes are an integral part of this statement.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**ENTERPRISE FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	Gas Utility Fund	Water Utility Fund	Total
<b><u>ASSETS</u></b>			
Current assets:			
Cash and cash equivalents	\$ 124,393	\$ 107,222	\$ 231,615
Investments	-	2,105	2,105
Accounts receivable, net for uncollectible accounts	41,803	41,813	83,616
Internal balances	29,182	(24,363)	4,819
Other receivables	2,087	-	2,087
Prepaid insurance	15,325	13,991	29,316
Total current assets	<u>212,790</u>	<u>140,768</u>	<u>353,558</u>
Restricted assets:			
Restricted cash and cash equivalents:			
Meter deposit fund	71,161	30,966	102,127
Total restricted assets	<u>71,161</u>	<u>30,966</u>	<u>102,127</u>
Noncurrent assets:			
Land, building and equipment, net	1,417,865	1,280,930	2,698,795
Total noncurrent assets	<u>1,417,865</u>	<u>1,280,930</u>	<u>2,698,795</u>
Total assets	<u>1,701,816</u>	<u>1,452,664</u>	<u>3,154,480</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension related	77,478	42,530	120,008
Total deferred outflow of resources	<u>77,478</u>	<u>42,530</u>	<u>120,008</u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Payable from current assets:			
Accounts payable and accrued expenses	27,083	12,231	39,314
Debt payable in one year	25,499	37,160	62,659
Accrued interest payable	465	1,259	1,724
Compensated absences	16,002	5,507	21,509
Payable from restricted assets:			
Customer deposits	62,626	27,252	89,878
Total current liabilities	<u>131,675</u>	<u>83,409</u>	<u>215,084</u>
Noncurrent liabilities:			
Debt payable after one year	162,941	427,523	590,464
Net pension liability	215,315	150,577	365,892
Total noncurrent liabilities	<u>378,256</u>	<u>578,100</u>	<u>956,356</u>
Total liabilities	<u>509,931</u>	<u>661,509</u>	<u>1,171,440</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension related	10,791	6,126	16,917
Total deferred inflows of resources	<u>10,791</u>	<u>6,126</u>	<u>16,917</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	1,228,960	814,988	2,043,948
Restricted	8,535	3,714	12,249
Unrestricted	21,077	8,857	29,934
Total net position	<u>\$ 1,258,572</u>	<u>\$ 827,559</u>	<u>\$ 2,086,131</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, 2020**

	Gas Utility Fund	Water Utility Fund	Total
<b><u>OPERATING REVENUES</u></b>			
Charges for services	\$ 768,204	\$ 457,519	\$ 1,225,723
Miscellaneous	4,760	6,476	11,236
Total operating revenues	<u>772,964</u>	<u>463,995</u>	<u>1,236,959</u>
<b><u>OPERATING EXPENSES</u></b>			
Gas - purchases	249,654	-	249,654
Depreciation	93,496	89,112	182,608
Other	460,606	403,810	864,416
Total operating expenses	<u>803,756</u>	<u>492,922</u>	<u>1,296,678</u>
Operating loss	<u>(30,792)</u>	<u>(28,927)</u>	<u>(59,719)</u>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>			
Investment earnings	97	58	155
Interest expense	(7,841)	(15,827)	(23,668)
Total non-operating expenses	<u>(7,744)</u>	<u>(15,769)</u>	<u>(23,513)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	76,389	92,510	168,899
Transfers out	(86,100)	(109,998)	(196,098)
Total other financing uses	<u>(9,711)</u>	<u>(17,488)</u>	<u>(27,199)</u>
Change in net position	<u>(48,247)</u>	<u>(62,184)</u>	<u>(110,431)</u>
<b><u>NET POSITION</u></b>			
Fund Balance at June 30, 2019	<u>1,306,819</u>	<u>889,743</u>	<u>2,196,562</u>
Fund Balance at June 30, 2020	<u>\$ 1,258,572</u>	<u>\$ 827,559</u>	<u>\$ 2,086,131</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, 2020**

	Gas Utility Fund	Water Utility Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 789,202	\$ 464,212	\$ 1,253,414
Cash payments to suppliers for goods and services	(442,902)	(197,530)	(640,432)
Cash payments to employees for services	(245,832)	(184,997)	(430,829)
Net cash provided by operating activities	<u>100,468</u>	<u>81,685</u>	<u>182,153</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating transfers from other funds	(9,711)	(17,488)	(27,199)
Due to (from) other funds	(27,546)	27,908	362
Net cash (used for) provided by noncapital financing activities	<u>(37,257)</u>	<u>10,420</u>	<u>(26,837)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING:</b>			
Lease payments	(17,950)	-	(17,950)
Principal paid on revenue bond maturities	(12,293)	(33,262)	(45,555)
Interest paid on revenue bonds	(7,911)	(15,827)	(23,738)
Acquisition of capital assets	(1,200)	(1,096)	(2,296)
Net cash used for capital and related financing	<u>(39,354)</u>	<u>(50,185)</u>	<u>(89,539)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and dividends on investments	97	58	155
Purchase of investments	-	(34)	(34)
Net cash provided by investing activities	<u>97</u>	<u>24</u>	<u>121</u>
<b>NET INCREASE IN CASH</b>	<b>23,954</b>	<b>41,944</b>	<b>65,898</b>
<b>CASH AND CASH EQUIVALENTS AT JUNE 30, 2019</b>	<b><u>171,600</u></b>	<b><u>96,244</u></b>	<b><u>267,844</u></b>
<b>CASH AND CASH EQUIVALENTS AT JUNE 30, 2020</b>	<b><u>\$ 195,554</u></b>	<b><u>\$ 138,188</u></b>	<b><u>\$ 333,742</u></b>

(continued)



**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**ENTERPRISE FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Gas Utility Fund</u>	<u>Water Utility Fund</u>	<u>Total</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating loss	\$ (30,792)	\$ (28,927)	\$ (59,719)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	93,496	89,112	182,608
Change in assets and liabilities:			
Accounts receivable	15,482	5,084	20,566
Prepaid insurance	(1,539)	(1,370)	(2,909)
Deferred outflows of resources	2,494	3,389	5,883
Accounts payable	(2,478)	(1,699)	(4,177)
Accrued expenses	7,452	5,394	12,846
Accrued interest payable	(33)	(90)	(123)
Deferred inflows of resources	(1,529)	(2,077)	(3,606)
Meter deposits	5,516	1,609	7,125
Compensated absences	2,849	(1,718)	1,131
Pension	9,550	12,978	22,528
Total adjustments	<u>131,260</u>	<u>110,612</u>	<u>241,872</u>
<b>Net cash provided by operating activities</b>	<b><u>\$ 100,468</u></b>	<b><u>\$ 81,685</u></b>	<b><u>\$ 182,153</u></b>
 Cash and cash equivalents for cash flow statement include:			
Cash and cash equivalents	\$ 124,393	\$ 107,222	\$ 231,615
Restricted cash and cash equivalents	71,161	30,966	102,127
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b><u>\$ 195,554</u></b>	<b><u>\$ 138,188</u></b>	<b><u>\$ 333,742</u></b>

(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, 2020**

**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, 2020**

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, 2020**

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, 2020**

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

Use of Estimates

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

Pension Plans

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

Budgets and Budgetary Accounting

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

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.
3. The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General, Special Revenue, 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, 2020**

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, and investments in the Louisiana Asset Management Pool are stated at market value.

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

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

**Restricted Assets**

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

**Bad Debts**

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

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

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

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

**Compensated Absences**

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

**Long Term Debt**

In the government-wide Statement of Net Position and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as 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, 2020**

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

**Equity Classifications**

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

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

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

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

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



**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

**Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. The Town carries commercial insurance for all risks of loss. The Town has estimated claims payable of \$56,500 at June 30, 2020. See Note 12 to the financial statements.

**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:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
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.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

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.

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, 2020.

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	\$	790,061
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Restricted Cash:

Deposits		111,028
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Total cash and cash equivalents

	\$	<u>901,089</u>
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**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

**Custodial Credit Risk**

Custodial Credit Risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to them. The Town does not have a deposit policy for custodial credit risk. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. At June 30, 2020, the Town's bank balances totaled \$983,453. Of this amount, the Town was not exposed to custodial credit risk by being uninsured and uncollateralized.

B. **Investments**

At June 30, 2020 the Town had invested \$1,806,792 in the Louisiana Asset Management Pool (LAMP), a local government investment pool.

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.

As of June 30, 2020, the Town had the following investments:

<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>
<b>Investments measured at the net asset value (NAV)</b>	
External investment pool	<b><u>\$1,806,792</u></b>

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, 2020**

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 33 days as of June 30, 2020.
- Foreign currency risk: Not applicable.

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

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

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

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

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, 2020, the Town was in compliance with all related debt covenants and has \$8,901 restricted for the retirement of bonds.

At June 30, 2020, the Town has \$102,127 of cash restricted for the refunding of customer meter deposits.

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, 2020, taxes of 5.66 mills were levied on property with assessed valuations totaling \$26,001,109 and were dedicated for general purposes.

Ad valorem taxes collected during the year ended June 30, 2020 totaled \$147,092.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**5. Due from Other Governmental Units**

Amounts due from other governmental units at June 30, 2020 consisted of the following:

West Feliciana Parish School Board	\$	175,410
Louisiana CARES Act		3,411
Louisiana Department of Transportation		5,470
	\$	<u>184,291</u>

**6. Receivables**

Receivables as of June 30, 2020 for the Town's governmental and business-type funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

**Governmental Activities:**

	<u>General</u>	<u>Sales &amp; Use</u>	<u>Total</u>
Other receivables			
Ad Valorem tax receivables	\$ 3,265	\$ -	\$ 3,265
Franchise tax receivable	22,401	-	22,401
Subdivision utility reimbursement receivable	6,502	-	6,502
Total other receivables	<u>32,168</u>	<u>-</u>	<u>32,168</u>
Accounts receivable:			
Charges for services	-	26,561	26,561
Less: allowance	-	(8,375)	(8,375)
Accounts receivable, net	-	18,186	18,186
Total receivables	<u>\$ 32,168</u>	<u>\$ 18,186</u>	<u>\$ 50,354</u>

**Business-Type Activities:**

	<u>Gas</u>	<u>Water</u>	<u>Total</u>
Other receivables			
Subdivision utility reimbursement receivable	\$ 2,087	\$ -	\$ 2,087
Total other receivables	<u>2,087</u>	<u>-</u>	<u>2,087</u>
Accounts receivable:			
Charges for services	61,054	61,068	122,122
Less: allowance	(19,251)	(19,255)	(38,506)
Accounts receivable, net	41,803	41,813	83,616
Total receivables	<u>\$ 43,890</u>	<u>\$ 41,813</u>	<u>\$ 85,703</u>

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

**7. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2020 are as follows:

Governmental Activities:

	Balance 6/30/19	Additions	Deletions	Reclass	Balance 6/30/20
Capital assets, not being depreciated					
Land	\$ 715,886	\$ -	\$ -	\$ -	\$ 715,886
Construction in progress	11,961	27,776	-	-	39,737
Total capital assets, not being depreciated	<u>727,847</u>	<u>27,776</u>	<u>-</u>	<u>-</u>	<u>755,623</u>
Capital assets, being depreciated					
Improvements other than buildings	3,971,287	10,860	-	-	3,982,147
Buildings	877,509	3,157	-	-	880,666
Equipment	2,805,074	57,124	-	-	2,862,198
Infrastructure	537,902	-	-	-	537,902
	<u>8,191,772</u>	<u>71,141</u>	<u>-</u>	<u>-</u>	<u>8,262,913</u>
Less: Accumulated Depreciation	<u>(5,029,048)</u>	<u>(358,146)</u>	<u>-</u>	<u>-</u>	<u>(5,387,194)</u>
Total capital assets, being depreciated	<u>3,162,724</u>	<u>(287,005)</u>	<u>-</u>	<u>-</u>	<u>2,875,719</u>
Capital assets, net of depreciation	<u>\$ 3,890,571</u>	<u>\$ (259,229)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,631,342</u>

Depreciation expense for the year ended June 30, 2020 totaled \$ 358,146 which are charged to the following functions:

General Government	13,346
Public Safety - Police	27,935
Public Safety - Fire	36,223
Streets	133,754
Sewer Operations	112,282
Economic Development	34,606
	<u>\$ 358,146</u>

Business-Type Activities:

	Balance 6/30/19	Additions	Deletions	Reclass	Balance 6/30/20
Capital assets, not being depreciated					
Land	\$ 6,523	\$ -	\$ -	\$ -	\$ 6,523
Total capital assets, not being depreciated	<u>6,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,523</u>
Capital assets, being depreciated					
Improvements other than buildings	973,759	-	-	-	973,759
Buildings	497,005	-	-	-	497,005
Equipment	4,842,200	2,296	-	-	4,844,496
	<u>6,312,964</u>	<u>2,296</u>	<u>-</u>	<u>-</u>	<u>6,315,260</u>
Less: Accumulated Depreciation	<u>(3,440,380)</u>	<u>(182,608)</u>	<u>-</u>	<u>-</u>	<u>(3,622,988)</u>
Total capital assets, being depreciated	<u>2,872,584</u>	<u>(180,312)</u>	<u>-</u>	<u>-</u>	<u>2,692,272</u>
Capital assets, net of depreciation	<u>\$ 2,879,107</u>	<u>\$ (180,312)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,698,795</u>

Depreciation expense for the year ended June 30, 2020 totaled \$182,608, of which \$93,496 and \$89,112 was allocated to gas services and water services, respectively.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

7. **Capital Assets** (continued)

**Construction Commitment**

The Town has remaining commitments in the amount of \$376,424 for the Wastewater Treatment Plant, as of June 30, 2020.

8. **Long-Term Debt**

The following is a summary of long-term debt transactions for the year ended June 30, 2020:

	<u>Balance</u> <u>6/30/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/20</u>	<u>Due</u> <u>within</u> <u>one year</u>
<b><u>Governmental Activities</u></b>					
Direct borrowing and placement of debt:					
Revolving loan-DEQ sewer upgrade	\$ 152,165	\$ -	\$152,165	\$ -	\$ -
Sales tax revenue refunding bond	86,000	-	86,000	-	-
Revenue bond, series 2017	121,193	-	63,220	57,973	10,012
Lease obligations	137,334	-	109,682	27,652	24,329
Other debt:					
Compensated absences	30,001	7,696	-	37,697	37,697
	<u>\$ 526,693</u>	<u>\$ 7,696</u>	<u>\$411,067</u>	<u>\$ 123,322</u>	<u>\$ 72,038</u>
<b><u>Business-Type Activities</u></b>					
Direct borrowing and placement of debt:					
Utility revenue bond series 2015	\$ 681,978	\$ -	\$ 45,555	\$ 636,423	\$ 50,894
Lease obligations	34,720	-	18,020	16,700	11,765
Other debt:					
Compensated absences	20,378	1,131	-	21,509	21,509
	<u>\$ 737,076</u>	<u>\$ 1,131</u>	<u>\$ 63,575</u>	<u>\$ 674,632</u>	<u>\$ 84,168</u>

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

Direct borrowings, placements and other debt at June 30, 2020 are comprised of the following individual issues:

Governmental Activities:

Direct borrowing and placement:

\$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. The outstanding notes are secured by a one percent sales tax levy.	<u>\$ 57,973</u>
\$68,645 Lease of a F-650 Trash Truck with an interest rate of 5.95%, maturing 8/18/2021	<u>\$ 16,133</u>
\$29,589 Lease of a 2018 Ford Explorer with an interest rate of 6.65%, maturing 5/31/2021	<u>\$ 11,519</u>

The Town's two outstanding leases from direct borrowings related to governmental activities above contain a provision that if termination of the lease agreement occurs, the Town will surrender possession of the equipment at the expense of the Town. In the event of default, the lessor reserves the right to retake possession of the equipment.

Other debt:

Compensated absences	<u>\$ 37,697</u>
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Business-Type Activities:

Direct borrowing and placement:

\$800,000 Utilities revenue bonds, Series 2015 - due in 15 yearly payments through December 2030, including interest at 3.25%.	<u>\$ 636,423</u>
\$29,589 Lease of a 2018 Ford F-150 with an interest rate of 6.15%, maturing 1/08/2021	<u>\$ 2,428</u>
\$27,545 Lease of a 2018 Ford F-150 with an interest rate of 7.50%, maturing 11/25/2021 maturing 11/25/2021	<u>\$ 14,272</u>

The Town's two outstanding leases from direct borrowings related to governmental activities above contain a provision that if termination of the lease agreement occurs, the Town will surrender possession of the equipment at the expense of the Town. In the event of default, the lessor reserves the right to retake possession of the equipment.



**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

Business-Type Activities: (Continued)

Other debt:

Compensated absences \$ 21,509

Debt service requirements on long-term debt as of June 30, 2020 including is as follows:

<u>Year</u> <u>Ending</u> <u>June 30,</u>	Governmental Activities			
	Bonds From Direct Borrowings and Placements		Lease Obligations From Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2021	\$ 10,012	\$ 1,592	\$ 24,329	\$ 1,160
2022	47,961	1,290	3,323	49
	\$ 57,973	\$ 2,882	\$ 27,652	\$ 1,209

  

<u>Year Ending</u> <u>June 30,</u>	Business-Type Activities			
	Bonds From Direct Borrowings and Placements		Lease Obligations From Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2021	\$ 50,894	\$ 20,676	\$ 11,765	\$ 850
2022	50,896	19,022	4,935	140
2023	50,895	17,368	-	-
2024	55,984	15,713	-	-
2025	55,982	13,894	-	-
2026-2030	305,364	41,186	-	-
2031-2034	66,408	2,150	-	-
	\$ 636,423	\$ 130,009	\$ 16,700	\$ 990

Compensated absences is not included in the tables above.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
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**9. 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.

**10. Individual Funds with Deficits**

Expenses / expenditures exceeded revenues during the year ended June 30, 2020 for the following funds:

Sales and Use Fund	\$	56,388
Gas Fund		48,247
Water Fund		62,184
		<u>62,184</u>
	\$	<u>166,819</u>

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

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Pension and Retirement Plans**

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

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.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**11. Pension and Retirement Plans (continued)**

**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).

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, 2020, 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	14.00%	5.00%
Members hired after 01/01/2013	14.00%	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	32.50%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	32.50%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	35.00%	7.50%

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

	<u>YE</u> <u>6/30/2020</u>	<u>YE</u> <u>6/30/2019</u>	<u>YE</u> <u>6/30/2018</u>
Municipal Employees' Retirement System Plan B	\$ 99,206	\$ 96,863	\$ 86,463
Municipal Police Employees' Retirement System	\$ 37,590	\$ 35,803	\$ 41,786

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**11. Pension and Retirement Plans (continued)**

**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, 2019 measurement date. The Town uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2020 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2019 along with the change compared to the June 30, 2018 rate. The Town's proportion of the Net Pension Liability was based on the Town's contribution effort to the pension plan relative to the contribution effort of all participating employers.

Governmental Activities:	Net Pension Liability at June 30, 2019	Rate at June 30, 2019	Increase (Decrease) on June 30, 2018 Rate
Municipal Employees' Retirement System Plan B	\$ 425,857	0.9050%	0.0256%
Municipal Police Employees' Retirement System	322,844	0.0355%	0.0460%
	<u>\$ 748,701</u>		

Business-Type Activities:	Net Pension Liability at June 30, 2019	Rate at June 30, 2019	Increase (Decrease) on June 30, 2018 Rate
Municipal Employees' Retirement System Plan B	\$ 365,892	0.9050%	0.0256%

The following schedule lists each pension plan's recognized pension expense of the Town for the year ended June 30, 2020.

	Pension Expense	Amortization	Total
Municipal Employees' Retirement System Plan B	\$ 171,032	\$ 4,972	\$ 176,004
Municipal Police Employees' Retirement System	55,702	23,599	79,301
	<u>\$ 226,734</u>	<u>\$ 28,571</u>	<u>\$ 255,305</u>

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Pension and Retirement Plans (continued)**

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

At June 30, 2020, 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	\$ 677	\$ (45,050)
Changes of assumptions	66,357	-
Net difference between projected and actual earnings on pension plan investments	104,366	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	73,241	(62,710)
Employer contributions subsequent to the measurement date	<u>136,796</u>	<u>-</u>
Total	<u>\$ 381,437</u>	<u>\$ (107,760)</u>

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	\$ 250,979	\$ (35,300)
Municipal Police Employees' Retirement System	<u>130,458</u>	<u>(72,460)</u>
	<u>\$ 381,437</u>	<u>\$ (107,760)</u>

The Town reported a total of \$136,796 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2021. 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	\$ 99,206
Municipal Police Employees' Retirement System	<u>37,590</u>
	<u>\$ 136,796</u>

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**11. Pension and Retirement Plans (continued)**

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

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

<u>Year</u>	<u>MERS</u>	<u>MPERS</u>	<u>Total</u>
2020	\$ 65,479	\$ 48,775	\$ 114,254
2021	32,646	(20,758)	11,888
2022	11,104	(12,843)	(1,739)
2023	7,244	5,234	12,478
	<u>\$ 116,473</u>	<u>\$ 20,408</u>	<u>\$ 136,881</u>

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2019 are as follows:

<b>Valuation Date</b>	<u>MERS</u>	<u>MPERS</u>
	June 30, 2019	June 30, 2019
<b>Actuarial Cost Method</b>	Entry Age Normal Cost	Entry Age Normal Cost
<b>Actuarial Assumptions:</b>		
<b>Expected Remaining Service Lives</b>	3 years	4 years
<b>Investment Rate of Return</b>	7.000%	7.125% net of investment expenses
<b>Inflation Rate</b>	2.500%	2.50%
<b>Mortality</b>	<p>For annuitant and beneficiary mortality tables used were PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.</p> <p>For employees, the PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.</p> <p>For disabled annuitants, PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.</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, 2020**

**11. Pension and Retirement Plans (continued)**

**Actuarial Assumptions (continued)**

	<u>MERS</u>	<u>MPERS</u>								
<b>Salary Increases</b>	1-4 years of service -- 7.4% more than 4 years of service -- 4.9%	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Years of Service</u></th> <th style="text-align: center;"><u>Salary Growth Rate</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1-2</td> <td style="text-align: center;">9.75%</td> </tr> <tr> <td style="text-align: center;">3-23</td> <td style="text-align: center;">4.75%</td> </tr> <tr> <td style="text-align: center;">Over 23</td> <td style="text-align: center;">4.25%</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1-2	9.75%	3-23	4.75%	Over 23	4.25%
<u>Years of Service</u>	<u>Salary Growth Rate</u>									
1-2	9.75%									
3-23	4.75%									
Over 23	4.25%									
<b>Cost of Living Adjustments</b>	The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.	The 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:

<u>MERS</u>	<u>MPERS</u>
The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rates of return is 7.0% for the year ended June 30, 2019.	The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50 % and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long term rate of return is 7.125% for the year ended June 30, 2019.



**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
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**11. 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, 2019:

Asset class	Target Allocation		Long-Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public equity	50.0%	-	2.15%	-
Equity	-	48.5%	-	3.28%
Public fixed income	35.0%	-	1.51%	-
Fixed Income	-	33.5%	-	0.80%
Alternatives	15.0%	18.0%	0.64%	1.06%
Other	-	0.0%	-	0.00%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>4.30%</u>	<u>5.14%</u>
Inflation			<u>2.70%</u>	<u>2.75%</u>
Expected arithmetic nominal return			<u>7.00%</u>	<u>7.89%</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 7.000% and 7.125%, respectively for the year ended June 30, 2019.

**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	6.00%	7.00%	8.00%
Town of St. Francisville's Share of NPL	\$ 1,055,197	\$ 791,749	\$ 568,943
MPERS			
Rates	6.125%	7.125%	8.125%
Town of St. Francisville's Share of NPL	\$ 449,829	\$ 322,844	\$ 216,317

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**11. 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, 2019 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, 2020, there were no amounts owed to the retirement systems.

**12. Contingencies**

The Town is subject to various risks of loss related to theft of, damage to, and destruction of assets; error and omissions; injuries to employees; natural disasters; cyber liabilities; and worker’s compensation claims. The Town has purchased commercial liability insurance to cover risks of loss related to torts or negligence by employees and board members. Commercial insurance has also been obtained to cover risk of damages to or theft of computer equipment, boilers and other machinery, employee’s benefits liability, and general liability claims. Claims have not exceeded insurance coverage in any of the past three years. Estimated claims payable of \$56,500 at June 30, 2020 is based on claims incurred but not paid, claims incurred but not reported and out of pocket expenses. The claims liability is accounted for on the government-wide financial statements.

**13. 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. The Interfund receivables and payables as of June 30, 2020 are as follows:

Receivable Fund	Payable Fund	Amount
Sales & Use Tax Fund	General Fund	\$ 1,618
Gas Fund	General Fund	1,734
Gas Fund	Water Fund	30,966
Water Fund	General Fund	3,085
Water Fund	Gas Fund	3,518
Total		\$ 40,921

**14. 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, 2020, the Town did not participate in any Tax Exemption Programs.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**15. Asset Retirement Obligation**

The Town adopted GASB 83 – *Certain Asset Retirement Obligations*. Title 33, Part IX, Subpart 3, Chapter 73, Section 7301.D.4 of the Louisiana Department of Environmental Quality (DEQ) regulations specifies the closure and handling of the sewer oxidation ponds and sludge. Based on the size of the sewer oxidation ponds, the Town has estimated the obligation to close and monitor the sewer oxidations ponds at \$250,000 as of June 30, 2020. This estimate includes abandoning the existing ponds by remediating the waste in place in accordance with DEQ regulations. The remaining useful life of the ponds cannot be reasonably estimated at this time. The Town does not have any assets restricted for payment of the asset retirement obligation.

**16. Revenues and Expenditures – Actual and Budgeted**

The following funds have actual expenditures and other financing uses over budgeted expenditures for the year ended June 30, 2020:

Governmental Fund:	Budget	Actual	Difference
General Fund	\$ 1,187,340	\$ 1,204,903	\$ (17,563)

**17. Restatement of Prior Year Fund Balance and Net Position**

Fund balance of the Sales Tax Fund within the fund financial statements was restated as of June 30, 2019 by an increase of \$78,560. The increase to prior period fund balance is the result of sales tax revenue not accrued in the prior fiscal year.

Net position of the Governmental Activities within the government-wide financial statements was restated as of June 30, 2019 by an increase of \$78,560. The increase to prior period net position is the result of sales tax revenue not accrued in the prior fiscal year.

The net effect to the fund financial statements and net position for the restatement of prior year balances is as follows:

<b><u>Fund Balance</u></b>	
	<u>Sales Tax Fund</u>
Fund Balance, June 30, 2019, as previously reported	\$ 582,840
Adjustment for sales tax revenue	78,560
Fund Balance, June 30, 2019, as restated	\$ 661,400
<b><u>Net Position</u></b>	
	<u>Governmental Activities</u>
Total net position, June 30, 2019, as previously reported	\$ 5,226,522
Adjustment for sales tax revenue	78,560
Net Position, June 30, 2019, as restated	\$ 5,305,082

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**18. Subsequent Events**

The Town has evaluated subsequent events through the date that the financial statements were available to be issued October 20, 2020, and determined that other than as described below, no events occurred that require additional disclosure.

The Town ordered and called a special election to be held December 5, 2020, for the authorization of a levy and collection of a one-half of one percent (1/2%) sales and use tax for a period of fifteen (15) years, beginning April 1, 2021 for the purpose of the Town's sewerage facilities. The cost related to the proposed new waste water system is estimated to be \$5,700,000.

The Town awarded the bid for construction of the Commerce Street Drainage Project on September 23, 2020 in the amount of \$68,340.

The world-wide pandemic associated with COVID-19 has spread across the state of Louisiana, including St. Francisville. COVID-19 has had a minimal impact on the operations of the Town, but has a bigger impact on certain businesses within the Town. The stay-at-home mandate and social distancing orders of Federal, State, and Local government authorities will have a negative impact on the economy. Any revenue reductions will be offset by reductions on operating costs and strong fund balances.

**19. Current Accounting Standards Scheduled to be Implemented**

GASB Statement 87, *Leases*: This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for all leases including those previously reported as operating leases. All leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The Town will include the requirements of this standard, as applicable, in its June 30, 2022 financial statement. All of the Town lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the Town is unknown at this time.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Ad valorem taxes	\$ 142,000	\$ 139,623	\$ 147,092	\$ 7,469
Grants	6,500	6,592	10,003	3,411
Occupational licenses and permits	95,145	106,014	106,729	715
Intergovernmental	16,000	12,970	17,624	4,654
State supplemental pay	29,000	31,349	30,516	(833)
Other charges	236,000	235,364	235,372	8
Fines and forfeitures	175,000	241,192	247,919	6,727
Interest	14,000	21,706	26,462	4,756
Miscellaneous	124,047	130,701	123,321	(7,380)
Total revenues	<u>837,692</u>	<u>925,511</u>	<u>945,038</u>	<u>19,527</u>
<b><u>EXPENDITURES</u></b>				
General government	177,629	184,124	204,298	(20,174)
Public safety	725,067	759,014	736,672	22,342
Streets	210,968	193,647	178,884	14,763
Capital outlay	48,000	50,555	50,875	(320)
Debt Service	-	-	30,784	(30,784)
Total expenditures	<u>1,161,664</u>	<u>1,187,340</u>	<u>1,201,513</u>	<u>(14,173)</u>
Excess of revenues under expenditures	<u>(323,972)</u>	<u>(261,829)</u>	<u>(256,475)</u>	<u>5,354</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in	270,000	291,427	291,427	-
Operating transfers out	-	-	(3,390)	(3,390)
Total other financing sources	<u>270,000</u>	<u>291,427</u>	<u>288,037</u>	<u>(3,390)</u>
Net Change in Fund Balance	(53,972)	29,598	31,562	1,964
<b><u>FUND BALANCE</u></b>				
Fund Balance at June 30, 2019	1,667,778	1,673,911	1,673,911	-
Fund Balance at June 30, 2020	<u>\$ 1,613,806</u>	<u>\$ 1,703,509</u>	<u>\$ 1,705,473</u>	<u>\$ 1,964</u>

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**SALES AND USE TAX FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>				
Sales tax revenues	\$ 950,000	\$ 976,292	\$ 1,009,522	\$ 33,230
Charges for services	200,000	210,667	212,873	2,206
Grant revenue	-	85,000	85,000	-
Interest	1,000	940	951	11
Total revenues	<u>1,151,000</u>	<u>1,272,899</u>	<u>1,308,346</u>	<u>35,447</u>
<b><u>EXPENDITURES</u></b>				
General government	439,612	463,741	466,807	(3,066)
Sanitation	207,564	260,255	245,703	14,552
Capital outlay	20,000	-	-	-
Debt service	110,300	384,386	391,386	(7,000)
Total expenditures	<u>777,476</u>	<u>1,108,382</u>	<u>1,103,896</u>	<u>4,486</u>
Excess of revenues over expenditures	<u>373,524</u>	<u>164,517</u>	<u>204,450</u>	<u>39,933</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in	60,000	51,990	51,990	-
Operating transfers out	<u>(332,000)</u>	<u>(352,828)</u>	<u>(312,828)</u>	40,000
Total other financing uses	<u>(272,000)</u>	<u>(300,838)</u>	<u>(260,838)</u>	<u>40,000</u>
Net Change in Fund Balance	101,524	(136,321)	(56,388)	79,933
<b><u>FUND BALANCE</u></b>				
Fund Balance at June 30, 2019, restated	<u>658,923</u>	<u>582,840</u>	<u>661,400</u>	<u>(78,560)</u>
Fund Balance at June 30, 2020	<u>\$ 760,447</u>	<u>\$ 446,519</u>	<u>\$ 605,012</u>	<u>\$ 1,373</u>

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**ECONOMIC DEVELOPMENT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Hotel/Motel tax revenues	\$ 165,000	\$ 184,224	\$ 178,424	\$ (5,800)
Interest	4,000	2,678	2,583	(95)
Other	1,000	6,883	12,683	5,800
Total revenues	<u>170,000</u>	<u>193,785</u>	<u>193,690</u>	<u>(95)</u>
<b><u>EXPENDITURES</u></b>				
Culture, recreation, and economic development	131,970	146,160	146,258	(98)
Capital outlay	118,039	1,123	1,123	-
Total expenditures	<u>250,009</u>	<u>147,283</u>	<u>147,381</u>	<u>(98)</u>
Excess of revenues over (under) expenditures	<u>(80,009)</u>	<u>46,502</u>	<u>46,309</u>	<u>(193)</u>
<b><u>FUND BALANCE</u></b>				
Fund Balance at June 30, 2019	<u>207,114</u>	<u>204,468</u>	<u>204,468</u>	<u>-</u>
Fund Balance at June 30, 2020	<u>\$ 127,105</u>	<u>\$ 250,970</u>	<u>\$ 250,777</u>	<u>\$ (193)</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, 2020 (\*)**

	<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>
<b>Municipal Employees' Retirement System (Plan B)</b>					
2019	0.9050%	\$ 791,749	\$ 691,880	114.4344%	66.1388%
2018	0.8795%	743,870	652,550	113.9943%	65.5981%
2017	0.8543%	739,136	634,082	116.5679%	63.4909%
2016	0.8379%	694,566	613,631	113.1895%	63.3376%
2015	0.9056%	615,493	616,371	99.8576%	68.7136%
<b>Municipal Police Employees' Retirement System</b>					
2019	0.0355%	\$ 322,844	\$ 111,018	290.8033%	71.0078%
2018	0.0460%	389,284	135,890	286.4699%	71.8871%
2017	0.0456%	398,404	129,015	308.8044%	70.0815%
2016	0.0186%	174,342	52,104	334.6039%	66.0422%
2015	0.0229%	179,484	61,128	293.6199%	70.7303%

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

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

See the accompanying notes to the Required Supplementary Information.



**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**SCHEDULE OF THE TOWN OF ST. FRANCISVILLE'S CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

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

***For reference only:***

<sup>1</sup> *Employer contribution rate multiplied by employer's covered employee payroll*

<sup>2</sup> *Actual employer contributions remitted to Retirement Systems*

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

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

See the accompanying notes to the Required Supplementary Information.

**TOWN OF ST. FRANCISVILLE**

**St. Francisville, LA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Changes of Benefit Terms include:**

Municipal Employee's Retirement System (Plan B)

There was no changes of benefit terms for years ended June 30, 2020

Municipal Police Employee's Retirement System

There was no changes of benefit terms for the years ended June 30, 2020

**Changes of Assumptions:**

Municipal Employee's Retirement System (Plan B)

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

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

  

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

  

<i>Salary Increases:</i>			
Year End	Measurement date	Rate	Change
6/30/2020	6/30/2019	4.9% - 7.4%	4.9% - 7.4% *
6/30/2019	6/30/2018	5.000%	0.000%
6/30/2018	6/30/2017	5.000%	0.000%
6/30/2017	6/30/2016	5.000%	0.000%
8/31/2016	6/30/2016	5.000%	-0.750%
8/31/2015	6/30/2014	5.750%	

Municipal Police Employee's Retirement System

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

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

  

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

  

<i>Salary Increases:</i>			
No changes for the year presented.			

\* Salaries increases 7.4% for 1 to 4 years of service and 4.9% for more than 4 years of service.

**OTHER SUPPLEMENTARY INFORMATION**

TOWN OF ST. FRANCISVILLE  
St. Francisville, LA  
SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES  
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020**

Agency Head Name/Title: Mayor Billy D'Aquila

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 12,000
Benefits - retirement	1,680
Registration fees	100
Conference travel	115
	<u>\$ 13,895</u>



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**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, each major fund of the Town of St. Francisville, Louisiana, (The Town) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's, basic financial statements and have issued our report thereon dated October 20, 2020.

**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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's, financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Postlethwaite & Netterville*

Donaldsonville, LA  
October 20, 2020

**TOWN OF ST. FRANCISVILLE, LOUISIANA**  
**St. Francisville, LA**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**YEAR ENDED JUNE 30, 2020**

**SECTION I. SUMMARY OF AUDIT RESULTS**

*Financial Statements*

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

**SECTION II. FINANCIAL STATEMENT FINDINGS**

*None*

**SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

*Not Applicable*



**TOWN OF ST. FRANCISVILLE, LOUISIANA**  
**St. Francisville, LA**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2020**

**MATERIAL WEAKNESS**

*None*

**SIGNIFICANT DEFICIENCIES**

*None*

**COMPLIANCE WITH STATE LAWS AND REGULATIONS**

***2019-001 Louisiana Budget Law***

*Condition:* Expenditure amounts exceeded budgeted expenditures by five percent or more for the Sales Tax Fund.

*Current Status:* There is no similar finding noted in the current year.

***2019-002 Bid Law***

*Condition:* The purchase of two vehicles ranging from approximately \$28,000 to \$33,000 did not have the supporting documentation for the three quotes for the vehicle under \$30,000 or sealed bids for the vehicle over \$30,000.

*Current Status:* There is no similar finding noted in the current year.

**PERFORMANCE AND STATISTICAL DATA**

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**SCHEDULE OF INSURANCE-IN-FORCE (UNAUDITED)**  
**June 30, 2020**

<u>Coverage</u>	<u>Insurance Company</u>	<u>Expiration Date</u>	<u>Liability Limits</u>
Commercial Property	Markel American Insurance Company	3/7/2021	\$3,552,279 Building & Business Personal Property
Constructed Equipment	Markel American Insurance Company	3/7/2021	\$451,172 Contractors Equipment \$100,000 Leased or rented items \$100,000 Newly Purchased Equipment
Business Auto	Atlantic Specialty Insurance Company	3/7/2021	\$1,000,000 Combined Single Limit Liability
General Liability	Atlantic Specialty Insurance Company	3/7/2021	\$1,000,000 each loss; \$2,000,000 aggregate
Crime Bond	Travelers Casualty & Surety Co of America	3/7/2022	Employee Theft: \$100,000
Public Officials Employment Practices	Atlantic Specialty Insurance Company	3/7/2021	\$1,000,000 each loss; \$2,000,000 aggregate
Law Enforcement Liability	Atlantic Specialty Insurance Company	3/7/2021	\$1,000,000 each loss; \$2,000,000 aggregate
Public Officials Errors & Omissions	Atlantic Specialty Insurance Company	3/7/2021	\$1,000,000 each loss; \$2,000,000 aggregate
Public Officials Employee Benefits	Atlantic Specialty Insurance Company	3/7/2021	\$1,000,000 each loss; \$2,000,000 aggregate
Workers' Compensation	La. Municipal Risk Management Agency	10/12/2020	Bodily Injury by Accident: \$100,000 each accident Bodily Injury by Disease: \$500,000 policy limit Bodily Injury by Disease: \$100,000 each employee
Surety Bonds	Record Insurance	10/1/2020	\$100,000 town clerk and tax collector; \$10,000 other officials and employees
Position Scheduled Bond	Record Insurance	6/9/2021	\$50,000 each for mayor, town clerk, bookkeeper, plant controller
Boiler & Machinery	Hartford Steam Boiler Inspection & Ins. Co.	3/7/2021	Equipment Breakdown limit: \$50,000,000
Cyber Liability	BCS Insurance Company	3/7/2021	\$1,000,000 Combined Single Limit Liability

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**SCHEDULE OF GAS AND WATER RATES (UNAUDITED)**  
**JUNE 30, 2020**

**RESIDENTIAL CUSTOMERS – GAS**

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

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

**SMALL BUSINESS CUSTOMERS – GAS**

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

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

**LARGE BUSINESS CUSTOMERS – GAS**

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

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

**HOSPITAL SERVICE DISTRICT HIGH USAGE RATE**

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

**RESIDENTIAL CUSTOMERS, IN TOWN LIMITS - WATER**

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

**SENIOR CITIZENS RESIDENTIAL CUSTOMERS, IN TOWN LIMITS - WATER**

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

**RESIDENTIAL CUSTOMERS, OUTSIDE OF TOWN LIMITS - WATER**

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

**SMALL BUSINESS CUSTOMERS - WATER**

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

**LARGE BUSINESS CUSTOMERS - WATER**

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



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*A Professional Accounting Corporation*

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

We have audited the general-purpose financial statements of the Town of St. Francisville (the Town) for the year ended June 30, 2020, and have issued our report thereon dated October 20, 2020. As part of our audit, we made a study and evaluation of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.

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

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

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls or operating efficiency. Our comments and suggestions regarding those matters are set forth below. This letter does not affect our reports dated October 20, 2020, on the financial statements of the Town of St. Francisville or the Town's internal control over financial reporting.



**ML 20-001 Gas Rates Billings**

**Condition:** The board approved an increase in gas rates during the year. However, the billing rates for gas were not updated and appropriately billed during the year. For the month of February 2020 to July 2020 the improper billing rates were billed.

**Recommendation:** P&N recommends that management review each months billing rates in the system prior to billing customers to ensure accuracy of billings.

**ML 20-002 Reconciling of Funds**

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

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

**ML 20-003 Untimely Payments**

**Condition:** P&N noted health insurance payments for the month of June and July 2020 were paid after the due date.

**Recommendation:** P&N recommends management pay all invoices timely to avoid lapses in coverage and late penalty assessments.

**ML 20-004 Retirement Expense**

**Condition:** Due to a change in employment status or classification, employer contributions for certain employees to two retirement plans were not being recorded in the general ledger properly. P&N notes actual contributions were made timely and correctly to the retirement plan.

**Recommendation:** P&N recommends management reconcile contributions per the retirement reports to the general ledger in order to identify any discrepancies.

**ML 20-005 Online Utilities Collections**

**Condition:** P&N noted that there was an increase in the Xpress pay account due to the Town not recording the proper due to/from and related revenue entry for utilities collections collected in the general fund for the month of August 2019.

**Recommendation:** P&N recommends management to reconcile this account monthly in order to identify any discrepancies.

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

*Postlethwaite & Netterville*

Donaldsonville, Louisiana  
October 20, 2020



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*Mayor \* William (Billy) D'Aquilla \* Alderman \* James R. Leake \* Abby T. Cochran \* Gigi Robertson \* Susanne Tully \* Joseph Kelley*

October 20, 2020

Postlethwaite & Netterville  
215 Saint Patrick Street  
Donaldsonville, LA 70346

Ref: Management Response to 2020 Audit Recommendations

To Whom It May Concern,

Please see Management's below listed responses to the audit recommendations.

**ML 20-001 / Gas Rates Billings**

**Condition:** The board approved an increase in gas rates during the year. However, the billing rates or gas were not updated and appropriately billed during the year. For the month of February 2020 to July 2020 the improper billing rates were billed.

**Recommendation:** P&N recommends that management review each months billing rates in the system prior to billing customers to ensure accuracy of billings.

***Management's Response:*** *All spreadsheets have been updated with the correct base price. Each month one person will enter new billing information into the Monthly Billing Spreadsheet, enter the new rate in the CSDC rate tab and initial the spreadsheet. A second person will confirm the monthly gas price has been correctly logged on the spreadsheet, confirm the new rate has been correctly entered in CSDC and initial the spreadsheet.*

**ML 20-002 / Reconciling of Funds**

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

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

***Management's Response:*** *Management will review the payroll GL to search for any unallocated funds and make sure they are allocated to the correct fund.*

**ML 20-003 / Untimely Payments**

**Condition:** P&N noted health insurance payments for the month of June and July 2020 were paid after the due date.

**Recommendation:** P&N recommends management pay all invoices timely to avoid lapses in coverage and late penalty assessments.

**Management's Response:** *The payroll clerk will process all monthly insurance payments owed after the last payroll check of the month has been processed to ensure timely payment.*

**ML 20-004 / Retirement Expense**

**Condition:** Due to a change in employment status or classification, employer contributions for certain employees to two retirement plans were not being recorded in the general ledger properly. P&N notes actual contributions were made timely and correctly to the retirement plan.

**Recommendation:** P&N recommends management reconcile contributions per the retirement reports to the general ledger in order to identify any discrepancies.

**Management's Response:** *The payroll clerk has been trained on how to confirm that new employees participating in retirement are set up to deduct the employee contribution and to calculate the employer contribution. In addition, the new online payment system for retirement ensures that the proper amount is calculated. This report will be compared to the GL report when retirement is paid out each month.*

**ML 20-005 / Online Utilities Collections**

**Condition:** P&N noted that there was an increase in the Xpress pay account due to the Town not recording the proper due to/from and related revenue entry for utilities collections collected in the general fund for the month of August 2019.

**Recommendation:** P&N recommends management to reconcile this account monthly in order to identify any discrepancies.

**Management's Response:** *Online utility payment downloads are date sensitive and must not overlap. We now have a spreadsheet to record the date of download, the date span being downloaded and person who processed the download to ensure there is no date overlap or gap to ensure all dates are properly accounted for.*

Sincerely,

  
William "Billy" D'Aquila, Mayor  
Town of St. Francisville