



# *Town of St. Francisville*



*June 30, 2019*

*Financial Statements*



**TOWN OF ST. FRANCISVILLE, LOUISIANA**

**FINANCIAL REPORT**

**JUNE 30, 2019**

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*A Professional Accounting Corporation*

## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of St. Francisville, Louisiana (the Town), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of St. Francisville's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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



## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of St. Francisville, Louisiana, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, budgetary comparison schedules on page 49 through 51, schedule of the Town's proportionate share of net pension liability on page 52, the schedule of the Town's contributions on page 53, and the notes to required supplementary information on page 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of principal officials and salaries and the schedule of compensation, benefits, 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 November 6, 2019 on our consideration of the Town of St. Francisville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of St. Francisville, Louisiana's internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

Donaldsonville, LA  
November 6, 2019

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

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, 2019. Please read it in conjunction with the Town's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The Town's combined total net position decreased by approximately \$212,000 or 2.8% over the course of this year's operations. Net position of our governmental activities decreased approximately \$25,000 or .5% while net position of our business-type activities decreased approximately \$188,000 or 7.9%.
- 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, 2019**

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

**Fund Statements**

	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Scope	Entire Town government (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary, such as police, fire, and streets	Activities the Town operates similar to private businesses: the water and gas system
Required financial statements	<ul style="list-style-type: none"> <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, 2019**

**Government-wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

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

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

**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>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>				
Current and other assets	\$ 2,526,179	\$ 2,486,105	\$ 407,772	\$ 482,081
Capital assets	3,890,571	3,847,333	2,879,107	2,993,680
<b>TOTAL ASSETS</b>	<b>6,416,750</b>	<b>6,333,438</b>	<b>3,286,879</b>	<b>3,475,761</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related	324,702	393,810	125,891	136,796
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>6,741,452</b>	<b>6,727,248</b>	<b>3,412,770</b>	<b>3,612,557</b>
<b>LIABILITIES</b>				
Current liabilities	425,209	215,003	197,053	183,508
Long-term liabilities	1,038,619	1,200,587	998,632	1,026,696
<b>TOTAL LIABILITIES</b>	<b>1,463,828</b>	<b>1,415,590</b>	<b>1,195,685</b>	<b>1,210,204</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related	51,102	60,538	20,523	18,161
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>1,514,930</b>	<b>1,476,128</b>	<b>1,216,208</b>	<b>1,228,365</b>
<b>NET POSITION</b>				
Net investment in capital assets	3,393,879	3,414,120	2,162,409	2,275,529
Restricted	10,901	7,030	11,403	84,635
Unrestricted	1,821,742	1,829,970	22,750	24,028
<b>TOTAL NET POSITION</b>	<b>\$ 5,226,522</b>	<b>\$ 5,251,120</b>	<b>\$ 2,196,562</b>	<b>\$ 2,384,192</b>

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

**Change in net position.** The Town's total net position decreased approximately \$212,000 (See Table A-2).

Approximately 38.7 percent of the Town's revenue comes from charges for services, and 37 percent comes from tax collections.

The total cost of all programs and services decreased by approximately \$68,000 or 1.8%.

	<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>2018</b>	<b>2019</b>	<b>2018</b>
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 205,002	\$ 203,944	\$ 1,180,032	\$ 1,244,069
Capital grants and contributions	6,418	443,947	-	-
General revenues				
Taxes	1,324,248	1,338,816	-	-
Licenses and permits	97,611	189,171	-	-
Intergovernmental	41,554	44,006	-	-
Fines	289,159	216,559	-	-
Miscellaneous	424,853	331,202	10,935	16,595
<b>Total revenues</b>	<b>2,388,845</b>	<b>2,767,645</b>	<b>1,190,967</b>	<b>1,260,664</b>
<b>Expenses</b>				
General government	848,736	732,721	-	-
Public safety	772,160	787,011	-	-
Streets	344,215	350,429	-	-
Sewer operations	289,207	309,070	-	-
Economic development	181,058	192,909	-	-
Business-type expenses	-	-	1,348,651	1,342,322
Debt service expenses:				
Interest and fiscal charges	8,013	9,959	-	-
<b>Total expenses</b>	<b>2,443,389</b>	<b>2,382,099</b>	<b>1,348,651</b>	<b>1,342,322</b>
<b>Increase (decrease) in net position before transfers</b>	<b>(54,544)</b>	<b>385,546</b>	<b>(157,684)</b>	<b>(81,658)</b>
Transfers (to) from	29,946	(40,994)	(29,946)	40,994
<b>Increase (decrease) in net position</b>	<b>(24,598)</b>	<b>344,552</b>	<b>(187,630)</b>	<b>(40,664)</b>
Beginning net position	5,251,120	4,906,568	2,384,192	2,424,856
Net position	<b>\$ 5,226,522</b>	<b>\$ 5,251,120</b>	<b>\$ 2,196,562</b>	<b>\$ 2,384,192</b>

**Governmental Activities**

Revenues for the Town's governmental activities decreased approximately \$379,000 or 13.7 percent, while total expenses increased approximately \$61,000 or 2.57 percent.

**Business-Type Activities**

Revenues for the Town's business-type activities decreased approximately \$70,000 or 5.5 percent and costs of services increased approximately \$6,000 or .47 percent.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

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

For the year ended June 30, 2019, its governmental funds reported a combined fund balance of approximately \$2.5 million while the enterprise funds reported combined net position of approximately \$2.2 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 other taxes, fines and penalties with an increase of approximately \$250,000. In addition to an increase in expenses related to professional services, operating expenditures and insurance with an increase of approximately \$184,000. With the final budget, actual revenues were approximately \$21,000 more than final budgeted revenues in total and actual expenditures were approximately \$3,000 more than the total final budgeted expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At June 30, 2019, the Town had invested approximately \$6.7 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 \$71,355 over last year.

**Table A-3**  
**Town's Capital Assets**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Improvements other than buildings	\$ 3,971,287	\$ 3,817,214	\$ 973,759	\$ 894,347
Buildings	877,509	877,509	497,005	497,005
Equipment	2,805,074	2,606,023	4,842,200	4,806,631
Land	715,886	715,886	6,523	6,523
Infrastructure	537,902	537,902	-	-
Construction in progress	11,961	-	-	47,714
Accumulated depreciation	(5,029,048)	(4,707,201)	(3,440,380)	(3,258,540)
<b>Total</b>	<b>\$ 3,890,571</b>	<b>\$ 3,847,333</b>	<b>\$ 2,879,107</b>	<b>\$ 2,993,680</b>

This year's major capital asset additions include:

- Purchase of a Case Tractor Loader Backhoe for the General Fund in the amount of approximately \$85,200.
- Construction in progress related to the Streetscape Enhancements in the amount of approximately \$12,000.
- The completion of the Hwy 66 Gas Line Project which was previously in construction in progress in the prior year that has costs of approximately \$57,300.
- Purchase of a 2018 Ford F-150 for the Gas Fund in the amount of approximately \$27,500.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

**Long-term debt.** At the end of the current fiscal year, the Town had long - term debt outstanding of \$1,263,769 as compared to \$1,226,661 in the prior year, a decrease of \$37,108 or 3 percent. (See Table A-4). More information about the Town's long-term liabilities is presented in Note 8 to the financial statements.

**Table A-4**  
**Town's Outstanding Debt**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Sales tax revenue refunding bond	\$ 86,000	\$ 124,000	\$ -	\$ -
Utility Revenue Bond	-	-	681,978	718,151
Revenue Bond	121,193	141,048	-	-
Revolving Loan-DEQ Sewer Upgrade	152,165	168,165	-	-
Capital Leases	137,334	54,719	34,720	20,578
Compensated Absences	30,001	13,077	20,378	17,802
<b>Total</b>	<b>\$ 526,693</b>	<b>\$ 501,009</b>	<b>\$ 737,076</b>	<b>\$ 756,531</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 economy is not expected to generate any significant growth.

**CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

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

**TOWN OF ST. FRANCISVILLE**

St. Francisville, LA

**STATEMENT OF NET POSITION**JUNE 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 588,308	\$ 173,688	\$ 761,996
Investments	1,743,758	2,071	1,745,829
Accounts receivable, net	20,243	106,269	126,512
Internal balances	(5,181)	5,181	-
Due from other governmental units	96,575	-	96,575
Other receivable	30,017	-	30,017
Prepaid insurance	41,558	26,407	67,965
Cash and cash equivalents - restricted	10,901	94,156	105,057
Land, building, and equipment, net	3,890,571	2,879,107	6,769,678
Total assets	<u>6,416,750</u>	<u>3,286,879</u>	<u>9,703,629</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension related	324,702	125,891	450,593
Total outflows of resources	<u>324,702</u>	<u>125,891</u>	<u>450,593</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	29,977	21,973	51,950
Accrued payables	34,983	8,672	43,655
Accrued interest payable	885	1,847	2,732
Claims payable	81,500	-	81,500
Customer deposits	-	82,753	82,753
Long-term liabilities:			
Net pension liability	789,790	343,364	1,133,154
Debt payable			
Due within one year	277,864	81,808	359,672
Due in more than one year	248,829	655,268	904,097
Total liabilities	<u>1,463,828</u>	<u>1,195,685</u>	<u>2,659,513</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension related	51,102	20,523	71,625
Total deferred inflows of resources	<u>51,102</u>	<u>20,523</u>	<u>71,625</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	3,393,879	2,162,409	5,556,288
Restricted	10,901	11,403	22,304
Unrestricted	1,821,742	22,750	1,844,492
Total net position	<u>\$ 5,226,522</u>	<u>\$ 2,196,562</u>	<u>\$ 7,423,084</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, 2019**

Functions/Programs	Program Revenues			Net Program (Expense)/Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital	Governmental Activities	Business- Type Activities	Total
			Grants and Contributions			
<b>Governmental activities:</b>						
General government	\$ 848,736	\$ -	\$ -	\$ (848,736)	\$ -	\$ (848,736)
Public safety	772,160		6,418	(765,742)	-	(765,742)
Streets	344,215	-	-	(344,215)	-	(344,215)
Sewer operations	289,207	205,002	-	(84,205)	-	(84,205)
Economic development	181,058	-	-	(181,058)	-	(181,058)
Debt service:						
Interest and fiscal charges	8,013	-	-	(8,013)	-	(8,013)
<b>Total governmental activities</b>	<b>2,443,389</b>	<b>205,002</b>	<b>6,418</b>	<b>(2,231,969)</b>	<b>-</b>	<b>(2,231,969)</b>
<b>Business-type activities:</b>						
Gas services	830,304	810,863	-	-	(19,441)	(19,441)
Water services	518,347	369,169	-	-	(149,178)	(149,178)
<b>Total business-type activities</b>	<b>1,348,651</b>	<b>1,180,032</b>	<b>-</b>	<b>-</b>	<b>(168,619)</b>	<b>(168,619)</b>
<b>Total primary government</b>	<b>\$3,792,040</b>	<b>\$ 1,385,034</b>	<b>\$ 6,418</b>	<b>(2,231,969)</b>	<b>(168,619)</b>	<b>(2,400,588)</b>
<b>General revenues:</b>						
Ad valorem taxes				141,123	-	141,123
Sales and use taxes				1,183,125	-	1,183,125
Licenses and permits				97,611	-	97,611
Intergovernmental revenue				41,554	-	41,554
Earnings on investments				29,743	162	29,905
Fines				289,159	-	289,159
Other				395,110	10,773	405,883
Transfers (to) from other funds				29,946	(29,946)	-
<b>Total general revenues</b>				<b>2,207,371</b>	<b>(19,011)</b>	<b>2,188,360</b>
Change in net position				(24,598)	(187,630)	(212,228)
Net Position - June 30, 2018				5,251,120	2,384,192	7,635,312
Net Position - June 30, 2019				<b>\$ 5,226,522</b>	<b>\$ 2,196,562</b>	<b>\$ 7,423,084</b>

The accompanying notes are an integral part of this statement.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2019**

	<u>General</u>	<u>Sales and Use Tax</u>	<u>Economic Development</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 77,542	\$ 467,029	\$ 43,737	\$ 588,308
Investments	1,582,572	-	161,186	1,743,758
Accounts receivable, net	-	20,243	-	20,243
Due from other governmental units	8,100	88,475	-	96,575
Other receivables	30,017	-	-	30,017
Prepaid insurance	26,606	14,952	-	41,558
Cash and cash equivalents - restricted	-	10,901	-	10,901
	<u>\$ 1,724,837</u>	<u>\$ 601,600</u>	<u>\$ 204,923</u>	<u>\$ 2,531,360</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Salaries, payroll deductions, and withholdings payable	\$ 24,845	\$ 9,878	\$ 260	\$ 34,983
Accounts payable	19,980	9,802	195	29,977
Internal balances	6,101	(920)	-	5,181
	<u>50,926</u>	<u>18,760</u>	<u>455</u>	<u>70,141</u>
Fund balances:				
Nonspendable	26,606	14,952	-	41,558
Restricted				
Debt service	-	10,901	-	10,901
Sanitary sewer system operations	-	556,987	-	556,987
Economic development	-	-	204,468	204,468
Unassigned, reported in General Fund	1,647,305	-	-	1,647,305
	<u>1,673,911</u>	<u>582,840</u>	<u>204,468</u>	<u>2,461,219</u>
Total liabilities and fund balances	<u>\$ 1,724,837</u>	<u>\$ 601,600</u>	<u>\$ 204,923</u>	<u>\$ 2,531,360</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, 2019**

Total fund balances at June 30, 2019 - governmental funds		\$ 2,461,219
Cost of capital assets at June 30, 2019	\$ 8,919,619	
Less: accumulated depreciation as of June 30, 2019	<u>(5,029,048)</u>	3,890,571
Deferred outflows - pension related		324,702
Long-term liabilities at June 30, 2019:		
Obligations under capital lease	\$ (137,334)	
LDEQ clean water state revolving loan	(152,165)	
Sales tax revenue refunding bond	(86,000)	
Revenue bond	(121,193)	
Accrued interest payable	(885)	
Compensated absences payable	(30,001)	
Claims payable	(81,500)	
Net pension liability	<u>(789,790)</u>	(1,398,868)
Deferred inflows - pension related		<u>(51,102)</u>
Total net position at June 30, 2019 - governmental activities		<u>\$ 5,226,522</u>

The accompanying notes are an integral part of this statement.

**TOWN OF ST. FRANCISVILLE**

**St. Francisville, LA**

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

**ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General</u>	<u>Sales and Use Tax</u>	<u>Economic Development</u>	<u>Total</u>
<b><u>REVENUES</u></b>				
Taxes	\$ 141,123	\$ 1,004,701	\$ -	\$ 1,145,824
Hotel/Motel tax	-	-	178,424	178,424
Grants	6,418	-	-	6,418
Occupational licenses and permits	97,611	-	-	97,611
Intergovernmental	14,605	-	-	14,605
State supplemental pay	26,949	-	-	26,949
Charges for services	-	205,002	-	205,002
Other charges	229,454	-	-	229,454
Fines and forfeitures	289,159	-	-	289,159
Interest	24,666	1,233	3,844	29,743
Other	127,594	-	17,665	145,259
Total revenues	<u>957,579</u>	<u>1,210,936</u>	<u>199,933</u>	<u>2,368,448</u>
<b><u>EXPENDITURES</u></b>				
General government	231,079	465,177	-	696,256
Public safety	696,032	-	-	696,032
Streets	228,988	-	-	228,988
Sewer operations	-	204,497	-	204,497
Culture, recreation, and economic development	-	-	180,674	180,674
Capital outlay	52,918	98,491	11,961	163,370
Debt service:				
Principal or lease retirement	43,163	80,957	-	124,120
Interest and fiscal charges	4,119	8,621	-	12,740
Total expenditures	<u>1,256,299</u>	<u>857,743</u>	<u>192,635</u>	<u>2,306,677</u>
<b>(Deficiency) excess of revenues (under) over expenditures</b>	<u>(298,720)</u>	<u>353,193</u>	<u>7,298</u>	<u>61,771</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in	329,845	89,000	-	418,845
Operating transfers out	-	(388,899)	-	(388,899)
Total other financing sources (uses)	<u>329,845</u>	<u>(299,899)</u>	<u>-</u>	<u>29,946</u>
<b>Excess of revenues and other financing sources over expenditures and other financing uses</b>	31,125	53,294	7,298	91,717
<b><u>FUND BALANCE</u></b>				
Fund Balance at June 30, 2018	1,642,786	529,546	197,170	2,369,502
Fund Balance at June 30, 2019	<u>\$ 1,673,911</u>	<u>\$ 582,840</u>	<u>\$ 204,468</u>	<u>\$ 2,461,219</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, 2019**

Total net changes in fund balance - governmental funds		\$	91,717
Capital assets:			
Capital outlay and other expenditures capitalized	\$	373,985	
Depreciation expense for the year ended June 30, 2019		<u>(330,747)</u>	43,238
Long-term debt:			
Principal portion of debt payments	\$	73,855	
Capital lease payments		35,533	
Capital lease additions		(118,148)	
Excess of interest paid over interest accrued		608	
Excess of compensated absences accrued over amounts paid		(16,924)	
Claims incurred		<u>(81,500)</u>	(106,576)
Net change in pension liability and deferred inflows/outflows of resources			<u>(52,977)</u>
Change in net position - governmental activities		\$	<u><u>(24,598)</u></u>

The accompanying notes are an integral part of this statement.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**ENTERPRISE FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2019**

	Gas Utility Fund	Water Utility Fund	Total
<b><u>ASSETS</u></b>			
Current assets:			
Cash and cash equivalents	\$ 113,252	\$ 60,436	\$ 173,688
Investments	-	2,071	2,071
Accounts receivable, net for uncollectible accounts	59,372	46,897	106,269
Restricted cash and cash equivalents:			
Meter deposit fund	58,348	35,725	94,073
Debt sinking account	-	83	83
Internal balances	1,636	3,545	5,181
Prepaid insurance	13,786	12,621	26,407
Total current assets	<u>246,394</u>	<u>161,378</u>	<u>407,772</u>
Noncurrent assets:			
Gas system and equipment, net	1,510,161	-	1,510,161
Water system and equipment, net	-	1,368,946	1,368,946
Total noncurrent assets	<u>1,510,161</u>	<u>1,368,946</u>	<u>2,879,107</u>
Total assets	<u>1,756,555</u>	<u>1,530,324</u>	<u>3,286,879</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension related	79,972	45,919	125,891
Total deferred outflow of resources	<u>79,972</u>	<u>45,919</u>	<u>125,891</u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Payable from current assets:			
Accounts payable	17,789	4,184	21,973
Accrued expenses	4,320	4,352	8,672
Debt payable in one year	41,141	40,667	81,808
Accrued interest payable	498	1,349	1,847
Payable from restricted assets:			
Customer deposits	57,110	25,643	82,753
Total current liabilities	<u>120,858</u>	<u>76,195</u>	<u>197,053</u>
Noncurrent liabilities:			
Debt payable after one year	190,765	464,503	655,268
Net pension liability	205,765	137,599	343,364
Total noncurrent liabilities	<u>396,530</u>	<u>602,102</u>	<u>998,632</u>
Total liabilities	<u>517,388</u>	<u>678,297</u>	<u>1,195,685</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension related	12,320	8,203	20,523
Total deferred inflows of resources	<u>12,320</u>	<u>8,203</u>	<u>20,523</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	1,291,408	871,001	2,162,409
Restricted	1,238	10,165	11,403
Unrestricted	14,173	8,577	22,750
Total net position	<u>\$ 1,306,819</u>	<u>\$ 889,743</u>	<u>\$ 2,196,562</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, 2019**

	Gas Utility Fund	Water Utility Fund	Total
<b><u>OPERATING REVENUES</u></b>			
Charges for services	\$ 810,863	\$ 369,169	\$ 1,180,032
Miscellaneous	4,243	6,530	10,773
Total operating revenues	<u>815,106</u>	<u>375,699</u>	<u>1,190,805</u>
<b><u>OPERATING EXPENSES</u></b>			
Gas - purchases	319,029	-	319,029
Depreciation	90,432	91,408	181,840
Other	413,090	410,173	823,263
Total operating expenses	<u>822,551</u>	<u>501,581</u>	<u>1,324,132</u>
Operating loss	<u>(7,445)</u>	<u>(125,882)</u>	<u>(133,327)</u>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>			
Investment earnings	76	86	162
Interest expense	(7,753)	(16,766)	(24,519)
Total non-operating expenses	<u>(7,677)</u>	<u>(16,680)</u>	<u>(24,357)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	38,704	212,926	251,630
Transfers out	(181,000)	(100,576)	(281,576)
Total other financing (uses) sources	<u>(142,296)</u>	<u>112,350</u>	<u>(29,946)</u>
Change in net position	<u>(157,418)</u>	<u>(30,212)</u>	<u>(187,630)</u>
<b><u>NET POSITION</u></b>			
Fund Balance at June 30, 2018	<u>1,464,237</u>	<u>919,955</u>	<u>2,384,192</u>
Fund Balance at June 30, 2019	<u>\$ 1,306,819</u>	<u>\$ 889,743</u>	<u>\$ 2,196,562</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, 2019**

	Gas Utility Fund	Water Utility Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 839,094	\$ 370,195	\$ 1,209,289
Cash payments to suppliers for goods and services	(503,388)	(194,295)	(697,683)
Cash payments to employees for services	(222,840)	(204,470)	(427,310)
Net cash provided (used) by operating activities	<u>112,866</u>	<u>(28,570)</u>	<u>84,296</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating transfers to/(from) other funds	(142,296)	112,350	(29,946)
Due to other funds	(1,636)	(3,545)	(5,181)
Net cash (used) provided by noncapital financing activities	<u>(143,932)</u>	<u>108,805</u>	<u>(35,127)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING:</b>			
Lease obligation proceeds	27,545	-	27,545
Lease payments	(13,403)	-	(13,403)
Principal paid on revenue bond maturities	(2,727)	(33,446)	(36,173)
Interest paid on revenue bonds	(7,753)	(16,766)	(24,519)
Acquisition of capital assets	(61,249)	(6,018)	(67,267)
Net cash used for capital and related financing	<u>(57,587)</u>	<u>(56,230)</u>	<u>(113,817)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and dividends on investments	76	86	162
Purchase of investments	-	(47)	(47)
Net cash provided by investing activities	<u>76</u>	<u>39</u>	<u>115</u>
<b>NET (DECREASE) INCREASE IN CASH</b>	<b>(88,577)</b>	<b>24,044</b>	<b>(64,533)</b>
<b>CASH AND CASH EQUIVALENTS AT JUNE 30, 2018</b>	<b><u>260,177</u></b>	<b><u>72,200</u></b>	<b><u>332,377</u></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>

(continued)

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**ENTERPRISE FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Gas Utility Fund	Water Utility Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating loss	\$ (7,445)	\$ (125,882)	\$ (133,327)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	90,432	91,408	181,840
Change in assets and liabilities:			
Accounts receivable	11,280	(1,509)	9,771
Prepaid insurance	2,034	3,199	5,233
Deferred outflows of resources	4,294	6,611	10,905
Accounts payable	1,182	(8,562)	(7,380)
Accrued expenses	(262)	53	(209)
Accrued interest payable	6	(50)	(44)
Deferred inflows of resources	930	1,432	2,362
Meter deposits	7,725	2,535	10,260
Compensated absences	1,781	795	2,576
Pension	909	1,400	2,309
Total adjustments	<u>120,311</u>	<u>97,312</u>	<u>217,623</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 112,866</u>	<u>\$ (28,570)</u>	<u>\$ 84,296</u>
Cash and cash equivalents for cash flow statement include:			
Cash and cash equivalents	\$ 113,252	\$ 60,436	\$ 173,688
Restricted cash and cash equivalents	58,348	35,808	94,156
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>\$ 171,600</u>	<u>\$ 96,244</u>	<u>\$ 267,844</u>

(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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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 12. 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, 2019**

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

Budgets and Budgetary Accounting (continued)

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

Cash, Cash Equivalents, and Investments

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

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

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

Restricted Assets

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

Compensated Absences

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

Long Term Debt

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

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

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

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

Statement of Cash Flows

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

Encumbrances

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

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Summary of Significant Accounting Policies (continued)**

Equity Classifications

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

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

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

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

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

Risk Management

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

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

Capital Assets

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

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

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

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

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

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

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

Accounts Receivable

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

Deferred Outflows/Inflows of Resources

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

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Summary of Significant Accounting Policies** (continued)

Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of Treasury for Town issues at June 30, 2019.

Current Year Adoption of New Accounting Standard

In March 2018, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 88(GASB 88), Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The statement clarifies the definition of debt for disclosure purposes and expands the required debt disclosures to provide more detail about governmental obligations. GASB 88 defines debt for purposes of disclosures as a liability that arises from a contractual obligation to pay cash (or another financial asset) in one or more payments to settle an amount that is fixed at the date when the contractual obligation is established. GASB 88 requires that direct borrowings and placements be disclosed separately from other types of debt and also provides additional guidance for disclosures related to debt. The provisions of GASB 88 are effective for financial statements for periods beginning after June 15, 2018. Additional disclosures are included in Note 8.

**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	\$ 718,008
Money market funds	43,988
	761,996

Restricted Cash:

Deposits	105,057
Total cash and cash equivalents	\$ 867,053

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, 2019, the Town's bank balances totaled \$930,413. Of this amount, the Town was not exposed to custodial credit risk by being uninsured and uncollateralized.

**TOWN OF ST. FRANCISVILLE**  
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**JUNE 30, 2019**

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

**B. Investments**

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

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury Securities	\$ 498,136	\$ 970	\$ (295)	\$ 498,811
Total	<u>\$ 498,136</u>	<u>\$ 970</u>	<u>\$ (295)</u>	<u>\$ 498,811</u>

As of June 30, 2019, the Town had the following investments and maturities:

**INVESTMENT MATURITIES (in years)**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>
<b><u>Governmental Activities</u></b>			
Investments at fair value			
U.S. Treasury Securities with maturity greater than 3 months	\$ 498,811	\$ 498,811	\$ -
Investments measured at net asset value			
LAMP	1,244,947	1,244,947	-
	<u>1,743,758</u>	<u>1,743,758</u>	<u>-</u>
<b><u>Business-Type Activities</u></b>			
Investments measured at net asset value			
LAMP	2,071	2,071	-
Total	<u>\$ 1,745,829</u>	<u>\$ 1,745,829</u>	<u>\$ -</u>

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

**Credit Risk-** Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may invest in United States bonds, treasury notes or certificates, or any other federally insured investment, or in mutual and trust fund institutions, which are registered with the Securities and Exchange Commission, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies. As of June 30, 2019, the Town's investments in U.S. Agencies were rated AAA by Moody's.

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

***Determination of Fair Value***

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

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

B. **Investments** (continued)

*Fair Value Hierarchy*

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

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

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

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

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

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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2. **Cash and Investments** (continued)

B. **Investments** (continued)

**Fair Value of Assets Measured on a Recurring Basis**

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

The following table presents for each of the fair-value hierarchy level the Town's financial assets and liabilities that are measured at fair value (in thousands) on a recurring basis at June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S Treasury Securities	\$ 498,811	\$ -	\$ -
Total	<u>\$ 498,811</u>	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2019 the Town had invested \$1,247,018 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.

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, 2019**

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, 2019.
- Foreign currency risk: Not applicable.

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

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

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

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

3. **Restricted Assets**

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

As of June 30, 2019, the Town was in compliance with all related debt covenants and has \$10,901 restricted for the retirement of bonds.

At June 30, 2019, the Town has \$94,073 restricted for the refunding of customer meter deposits and \$83 restricted for the debt sinking account.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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, 2019, taxes of 5.66 mills were levied on property with assessed valuations totaling \$25,355,633 and were dedicated for general purposes.

Ad valorem taxes collected during the year ended June 30, 2019 totaled \$141,123.

**5. Due from Other Governmental Units**

Amounts due from other governmental units at June 30, 2019 consisted of the following:

West Feliciana Parish School Board	\$	88,475
Louisiana Department of Transportation		8,100
		96,575

**6. Receivables**

Receivables as of June 30, 2019 for the Town's governmental and business type funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

**Governmental Activities:**

	<b>General</b>	<b>Sales &amp; Use</b>	<b>Total</b>
Other receivables			
Franchise tax receivables	\$ 30,010	\$ -	\$ 30,010
Total other receivables	30,010	-	30,010
Accounts receivable:			
Charges for services	-	28,728	28,728
Less: allowance	-	(8,485)	(8,485)
Accounts receivable, net	-	20,243	20,243
Interest receivables	7	-	7
Total receivables	\$ 30,017	\$ 20,243	\$ 50,260

**Business-Type Activities:**

	<b>Gas</b>	<b>Water</b>	<b>Total</b>
Accounts receivable:			
Charges for services	\$ 84,259	\$ 66,554	\$ 150,813
Less: allowance	(24,887)	(19,657)	(44,544)
Accounts receivable, net	59,372	46,897	106,269
Total receivables	\$ 59,372	\$ 46,897	\$ 106,269

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**7. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2019 are as follows:

Governmental Activities:

	Balance 6/30/18	Additions	Deletions	Reclass	Balance 6/30/19
Land	\$ 715,886	\$ -	\$ -	\$ -	\$ 715,886
Improvements other than buildings	3,817,214	154,073	-	-	3,971,287
Buildings	877,509	-	-	-	877,509
Equipment	2,606,023	207,951	(8,900)	-	2,805,074
Infrastructure	537,902	-	-	-	537,902
Construction in progress	-	11,961	-	-	11,961
	<u>8,554,534</u>	<u>373,985</u>	<u>(8,900)</u>	<u>-</u>	<u>8,919,619</u>
Less: Accumulated Depreciation	<u>(4,707,201)</u>	<u>(330,747)</u>	<u>8,900</u>	<u>-</u>	<u>(5,029,048)</u>
Net Capital Assets	<u>\$ 3,847,333</u>	<u>\$ 43,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,890,571</u>

Depreciation expense for the year ended June 30, 2019 totaled \$ 330,747 which are charged to the following functions:

General Government	\$ 14,094
Public Safety - Police	55,338
Streets	130,422
Sewer Operations	107,556
Economic Development	23,337
	<u>\$ 330,747</u>

Business-Type Activities:

	Balance 6/30/18	Additions	Deletions	Reclass	Balance 6/30/19
Land	\$ 6,523	\$ -	\$ -	\$ -	\$ 6,523
Improvements other than buildings	894,347	22,063	-	57,349	973,759
Buildings	497,005	-	-	-	497,005
Equipment	4,806,631	35,569	-	-	4,842,200
Construction in progress	47,714	9,635	-	(57,349)	-
	<u>6,252,220</u>	<u>67,267</u>	<u>-</u>	<u>-</u>	<u>6,319,487</u>
Less: Accumulated Depreciation	<u>(3,258,540)</u>	<u>(181,840)</u>	<u>-</u>	<u>-</u>	<u>(3,440,380)</u>
Net Capital Assets	<u>\$ 2,993,680</u>	<u>\$ (114,573)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,879,107</u>

Depreciation expense for the year ended June 30, 2019 totaled \$ 181,840, of which \$90,432 and \$91,408 was allocated to gas services and water services, respectively.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

7. **Capital Assets** (continued)

Construction Commitment

The Town does not have any active construction contracts at June 30, 2019.

8. **Long-Term Debt**

The following is a summary of long-term debt transactions for the year ended June 30, 2019:

	<u>Balance</u> <u>6/30/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/19</u>	<u>Due</u> <u>within</u> <u>one year</u>
<u>Governmental Activities</u>					
Direct borrowing and placement of debt:					
Revolving loan-DEQ sewer upgrade	\$ 168,165	\$ -	\$ 16,000	\$ 152,165	\$ 152,165
Sales tax revenue refunding bond	124,000	-	38,000	86,000	40,000
Revenue bond, series 2017	141,048	-	19,855	121,193	8,445
Lease obligations	54,719	118,148	35,533	137,334	47,253
Other debt:					
Compensated absences	13,077	16,924	-	30,001	30,001
	<u>\$ 501,009</u>	<u>\$ 135,072</u>	<u>\$109,388</u>	<u>\$ 526,693</u>	<u>\$ 277,864</u>
<u>Business-Type Activities</u>					
Direct borrowing and placement of debt:					
Utility revenue bond series 2015	\$ 718,151	\$ 9,634	\$ 45,807	\$ 681,978	\$ 45,802
Lease obligations	20,578	27,545	13,403	34,720	15,628
Other debt:					
Compensated absences	17,802	2,576	-	20,378	20,378
	<u>\$ 756,531</u>	<u>\$ 39,755</u>	<u>\$ 59,210</u>	<u>\$ 737,076</u>	<u>\$ 81,808</u>

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

Direct borrowings, placements and other debt at June 30, 2019 are comprised of the following individual issues:

Governmental Activities:

Direct borrowing and placement:

Revenue bond - DEQ sewer upgrade

The Town was granted a \$1,000,000 revolving loan from DEQ for a period of 30 years with a variable interest rate. Variable interest rate is set at historical levels of the applicable variable rate during the previous three years as determined by nationally recognized underwriter experienced in handling bonds with similar variable rates. The outstanding notes are secured by a one percent sales tax levy.

\$ 152,165

\$264,202 Sales tax revenue refunding bond, Series 2013 - due in 8 yearly payments of \$38,242 through November 2020, including interest at 2.0%. The outstanding notes are secured by a one percent sales tax levy.

\$ 86,000

\$150,000 Revenue bond, Series 2017, due in 5 years with interest rate of 3.25% per annum, payable on the first calendar day of each month. The outstanding notes are secured by a one percent sales tax levy.

\$ 121,193

\$68,645 Lease of a F-650 Trash Truck with an interest rate of 5.95%, maturing 8/18/2021

\$ 28,208

\$29,445 Lease of a 2017 Ford Police SUV with an interest rate of 5.65%, maturing 12/30/2019

\$ 5,185

\$29,589 Lease of a 2018 Ford Explorer with an interest rate of 6.65%, maturing 5/31/2021

\$ 22,303

The Town's three 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.

\$85,211 Lease of a Case Tractor Loader Backhoe with an interest rate of 7.10%, maturing 5/31/2021. The Town has the option to purchase this asset at the end of the lease maturity of the lease agreement.

\$ 81,638

Other debt:

Compensated absences

\$ 30,001

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

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%.

\$ 681,978

\$29,589 Lease of a 2018 Ford F-150 with an interest  
rate of 6.15%, maturing 1/08/2021

\$ 11,780

\$27,545 Lease of a 2018 Ford F-150 with an interest  
rate of 7.50%, maturing 11/25/2021  
maturing 11/25/2021

\$ 22,940

The Town's three 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

\$ 20,378

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

Debt service requirements on long-term debt as of June 30, 2019 including is as follows:

Governmental Activities				
Bonds From Direct Borrowings and Placements				
Lease Obligations From Direct Borrowings and Placements				
Year Ending June 30,	Principal	Interest	Principal	Interest
2020	\$ 200,610	\$ 6,142	\$ 47,252	\$ 7,919
2021	49,723	4,387	44,945	4,930
2022	109,025	3,376	25,453	2,307
2023	-	-	19,684	634
	\$ 359,358	\$ 13,905	\$ 137,334	\$ 15,790

  

Business-Type Activities				
Bonds From Direct Borrowings and Placements				
Lease Obligations From Direct Borrowings and Placements				
Year Ending June 30,	Principal	Interest	Principal	Interest
2020	\$ 45,802	\$1,489	\$15,628	\$1,917
2021	50,894	-	14,157	924
2022	50,896	-	4,935	140
2023	50,895	-	-	-
2024	55,983	-	-	-
2025-2029	295,183	-	-	-
2030-2034	132,325	-	-	-
	\$681,978	\$ 1,489	\$ 34,720	\$ 2,981

Compensated absences is not included in the tables above.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**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. Segments of Enterprise Activities**

Two services, gas and water, are provided by the Town and are financed by user charges. The significant financial data for the year ended June 30, 2019 for those two services are as follows:

	<u>Gas Utility</u>	<u>Water Utility</u>	<u>Total</u>
Operating revenues	\$ 815,106	\$ 375,699	\$ 1,190,805
Operating expenses (excluding depreciation)	732,119	410,173	1,142,292
Depreciation	90,432	91,408	181,840
Operating loss	(7,445)	(125,882)	(133,327)
Interest income	76	86	162
Interest expense	(7,753)	(16,766)	(24,519)
Change in net position	(157,418)	(30,212)	(187,630)
Acquisitions of capital assets	61,249	6,018	67,267
Net working capital	125,536	85,183	210,719
Total assets and deferred outflows	1,836,527	1,576,243	3,412,770
Total liabilities and deferred inflows	529,708	686,500	1,216,208
Bonds payable	184,033	497,945	681,978
Total net position	1,306,819	889,743	2,196,562

**11. Individual Funds with Deficits**

Expenses / expenditures exceeded revenues during the year ended June 30, 2019 for the following fund:

Gas Fund	\$ 157,418
Water Fund	30,212
	<u>\$ 187,630</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**  
**JUNE 30, 2019**

**12. 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, 2019**

**12. 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, 2019, 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	32.25%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	32.25%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	34.75%	7.50%

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

	<u>7/1/2018 – 6/30/2019</u>	<u>YE 6/30/2018</u>	<u>YE 8/31/2017</u>
Municipal Employees' Retirement System Plan B	\$ 96,863	\$ 86,463	\$ 69,749
Municipal Police Employees' Retirement System	\$ 35,804	\$ 41,786	\$ 40,962

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**12. 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, 2018 measurement date. The Town uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2019 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2018 along with the change compared to the June 30, 2017 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.

<u>Governmental Activities:</u>	<u>Net Pension Liability at June 30, 2018</u>	<u>Rate at June 30, 2018</u>	<u>Increase (Decrease) on June 30, 2017 Rate</u>
Municipal Employees' Retirement System Plan B	\$ 400,506	0.8795%	0.0252%
Municipal Police Employees' Retirement System	389,284	0.0460%	0.0004%
	<u>\$ 789,790</u>		

  

<u>Business-Type Activities:</u>	<u>Net Pension Liability at June 30, 2018</u>	<u>Rate at June 30, 2018</u>	<u>Increase (Decrease) on June 30, 2017 Rate</u>
Municipal Employees' Retirement System Plan B	\$ 343,364	0.8795%	0.0252%

The following schedule lists each pension plan's recognized pension expense of the Town for the year ended June 30, 2019.

	<u>Pension Expense</u>	<u>Amortization</u>	<u>Total</u>
Municipal Employees' Retirement System Plan B	\$ 155,950	\$ (4,801)	\$ 151,149
Municipal Police Employees' Retirement System	57,972	23,916	81,888
	<u>\$ 213,922</u>	<u>\$ 19,115</u>	<u>\$ 233,037</u>

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**12. 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, 2019, 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	\$ 3,748	\$ (53,397)
Changes of assumptions	53,276	-
Net difference between projected and actual earnings on pension plan investments	139,566	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	121,336	(18,228)
Employer contributions subsequent to the measurement date	132,667	-
Total	<u>\$ 450,593</u>	<u>\$ (71,625)</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	\$ 263,482	\$ (42,964)
Municipal Police Employees' Retirement System	187,111	(28,661)
	<u>\$ 450,593</u>	<u>\$ (71,625)</u>

The Town reported a total of \$132,667 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2018 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2019. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Municipal Employees' Retirement System Plan B	\$ 96,863
Municipal Police Employees' Retirement System	35,804
	<u>\$ 132,667</u>

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

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

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

Year	MERS	MPERS	Total
2019	\$ 65,898	\$ 66,632	\$ 132,530
2020	43,042	65,150	108,192
2021	10,963	(9,810)	1,153
2022	3,752	674	4,426
	<u>\$ 123,655</u>	<u>\$ 122,646</u>	<u>\$ 246,301</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, 2018 are as follows:

Valuation Date	<u>MERS</u> June 30, 2018	<u>MPERS</u> June 30, 2018
<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>	7.275%	7.20% net of investment expenses
<b>Inflation Rate</b>	2.600%	2.70%
<b>Mortality</b>	For annuitant and beneficiary mortality tables used were RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA. For employees, the RP-2000 Employees Sex Distinct Table set back 2 years for both males and females. For disabled annuitants, RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females.	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. RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants. RP-2000 Employee Table set back 4 years for males and 3 years for females for active members

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

**Actuarial Assumptions** (continued)

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

**Cost of Living Adjustments**

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living 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:

MERS

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.70% 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, 2018.

MPERS

The forecasted 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 2.75 % and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long term rate of return is 8.03% for the year ended June 30, 2018.

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**12. 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, 2018:

Asset class	Target Allocation		Long-Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public equity	50.0%	-	2.20%	-
Equity	-	52.0%	-	3.58%
Public fixed income	35.0%	-	1.50%	-
Fixed Income	-	22.0%	-	0.46%
Alternatives	15.0%	20.0%	0.60%	1.07%
Other	-	6.0%	-	0.17%
Total	100.0%	100.0%	4.30%	5.28%
Inflation			2.70%	2.75%
Expected arithmetic nominal return			7.00%	8.03%

**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 7.28% and 7.20%, respectively for the year ended June 30, 2018.

**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:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS			
Rates	6.28%	7.28%	8.28%
Town of St. Francisville's Share of NPL	\$ 976,239	\$ 743,870	\$ 546,337
MPERS			
Rates	6.20%	7.20%	8.20%
Town of St. Francisville's Share of NPL	\$ 547,052	\$ 389,284	\$ 256,923

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**12. 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, 2018 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, 2019, there were no amounts owed to the retirement systems.

**13. 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 \$81,500 at June 30, 2019 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.

**14. 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, 2019 are as follows:

Receivable Fund	Payable Fund	Amount
Sales & Use Tax Fund	General Fund	\$ 920
Gas Fund	General Fund	3,545
Water Fund	General Fund	1,636
Water Fund	Gas Fund	1,909
Total		\$ 8,010

**15. 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, 2019, the Town did not participate in any Tax Exemption Programs.

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

The following funds have actual expenditures over budgeted expenditures for the year ended June 30, 2019:

Governmental Fund:	Budget	Actual	Difference
Sales Tax Fund	\$ 1,147,030	\$ 1,246,642	\$ (99,612)

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Ad valorem taxes	\$ 138,877	\$ 141,123	\$ 141,123	\$ -
Grants	1,000	6,418	6,418	-
Occupational licenses and permits	135,000	97,033	97,611	578
Intergovernmental	15,000	15,765	14,605	(1,160)
State supplemental pay	18,000	26,949	26,949	-
Other charges	126,700	225,288	229,454	4,166
Fines and forfeitures	119,300	266,653	289,159	22,506
Interest	5,000	13,327	24,666	11,339
Miscellaneous	146,500	144,346	127,594	(16,752)
Total revenues	<u>705,377</u>	<u>936,902</u>	<u>957,579</u>	<u>20,677</u>
<b><u>EXPENDITURES</u></b>				
General government	150,000	233,897	231,079	2,818
Public safety	680,000	757,911	696,032	61,879
Streets	200,000	261,085	228,988	32,097
Capital outlay	-	-	52,918	(52,918)
Debt Service	-	-	47,282	(47,282)
Total expenditures	<u>1,030,000</u>	<u>1,252,893</u>	<u>1,256,299</u>	<u>(3,406)</u>
Excess of revenues under expenditures	<u>(324,623)</u>	<u>(315,991)</u>	<u>(298,720)</u>	<u>17,271</u>
<b><u>OTHER FINANCING SOURCES</u></b>				
Operating transfers in	325,000	291,000	329,845	38,845
Total other financing sources	<u>325,000</u>	<u>291,000</u>	<u>329,845</u>	<u>38,845</u>
Excess of revenues and other sources over (under) expenditures and other uses	377	(24,991)	31,125	56,116
<b><u>FUND BALANCE</u></b>				
Fund Balance at June 30, 2018	1,621,075	1,642,786	1,642,786	-
Fund Balance at June 30, 2019	<u>\$ 1,621,452</u>	<u>\$ 1,617,795</u>	<u>\$ 1,673,911</u>	<u>\$ 56,116</u>

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**SALES AND USE TAX FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>				
Sales tax revenues	\$ 875,000	\$ 995,834	\$ 1,004,701	\$ 8,867
Charges for services	190,000	200,394	205,002	4,608
Interest	130	1,188	1,233	45
Total revenues	<u>1,065,130</u>	<u>1,197,416</u>	<u>1,210,936</u>	<u>13,520</u>
<b><u>EXPENDITURES</u></b>				
General government	473,000	451,714	465,177	(13,463)
Sanitation	200,000	190,303	204,497	(14,194)
Capital outlay	7,000	98,637	98,491	146
Debt service	95,000	99,876	89,578	10,298
Total expenditures	<u>775,000</u>	<u>840,530</u>	<u>857,743</u>	<u>(17,213)</u>
Excess of revenues over expenditures	<u>290,130</u>	<u>356,886</u>	<u>353,193</u>	<u>(3,693)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in	100,000	89,000	89,000	-
Operating transfers out	(390,000)	(306,500)	(388,899)	(82,399)
Total other financing uses	<u>(290,000)</u>	<u>(217,500)</u>	<u>(299,899)</u>	<u>(82,399)</u>
Excess of revenues over expenditures and other uses	130	139,386	53,294	(86,092)
<b><u>FUND BALANCE</u></b>				
Fund Balance at June 30, 2018	<u>449,931</u>	<u>529,546</u>	<u>529,546</u>	<u>-</u>
Fund Balance at June 30, 2019	<u>\$ 450,061</u>	<u>\$ 668,932</u>	<u>\$ 582,840</u>	<u>\$ (86,092)</u>

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**ECONOMIC DEVELOPMENT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Hotel/Motel tax revenues	\$ 150,000	\$ 178,424	\$ 178,424	\$ -
Interest	500	3,846	3,844	(2)
Other	500	17,665	17,665	-
Total revenues	<u>151,000</u>	<u>199,935</u>	<u>199,933</u>	<u>(2)</u>
<b><u>EXPENDITURES</u></b>				
Culture, recreation, and economic development	299,000	189,991	180,674	9,317
Capital outlay	-	-	11,961	(11,961)
Total expenditures	<u>299,000</u>	<u>189,991</u>	<u>192,635</u>	<u>(2,644)</u>
Excess of revenues over (under) expenditures	<u>(148,000)</u>	<u>9,944</u>	<u>7,298</u>	<u>(2,646)</u>
Excess of revenues over (under) expenditures and other uses	(148,000)	9,944	7,298	(2,646)
<b><u>FUND BALANCE</u></b>				
Fund Balance at June 30, 2018	<u>363,867</u>	<u>197,170</u>	<u>197,170</u>	-
Fund Balance at June 30, 2019	<u>\$ 215,867</u>	<u>\$ 207,114</u>	<u>\$ 204,468</u>	<u>\$ (2,646)</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, 2019 (\*)**

	Employer's Proportion of the Net Pension Liability (Assets)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered- Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>Municipal Employees' Retirement System (Plan B)</b>					
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>					
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, 2019**

	<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>					
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>					
2019	\$ 35,804	\$ 35,804	\$ -	\$ 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, 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, 2019**

**Changes of Benefit Terms include:**

Municipal Employee's Retirement System (Plan B)

There was no changes of benefit terms for years ended June 30, 2019 and the year ended June 30, 2018.

Municipal Police Employee's Retirement System

There was no changes of benefit terms for the years ended June 30, 2019 and the year ended June 30, 2018

**Changes of Assumptions:**

Municipal Employee's Retirement System (Plan B)

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

***Discount Rate:***

Year End	Measurement date	Rate	Change
6/30/2019	6/30/2018	7.275%	-0.525%
6/30/2018	6/30/2017	7.800%	0.300%
6/30/2017	6/30/2016	7.500%	0.000%
8/31/2016	6/30/2016	7.500%	-0.250%
8/31/2015	6/30/2014	7.750%	

***Merit:***

Year End	Measurement date	Rate	Change
6/30/2019	6/30/2019	2.125%	0.000%
6/30/2018	6/30/2017	2.125%	0.000%
6/30/2017	6/30/2016	2.125%	0.000%
8/31/2016	6/30/2016	2.125%	-0.625%
8/31/2015	6/30/2014	2.750%	

***Inflation Rate:***

Year End	Measurement date	Rate	Change
6/30/2019	6/30/2018	2.600%	-0.175%
6/30/2018	6/30/2017	2.775%	-0.100%
6/30/2017	6/30/2016	2.875%	0.000%
8/31/2016	6/30/2016	2.875%	-0.125%
8/31/2015	6/30/2014	3.000%	

***Investment rate of return:***

Year End	Measurement date	Rate	Change
6/30/2019	6/30/2018	7.275%	-0.125%
6/30/2018	6/30/2017	7.400%	-0.100%
6/30/2017	6/30/2016	7.500%	0.000%
8/31/2016	6/30/2016	7.500%	-0.250%
8/31/2015	6/30/2014	7.750%	

***Salary Increases:***

Year End	Measurement date	Rate	Change
6/30/2019	6/30/2018	5.000%	0.000%
6/30/2018	6/30/2017	5.000%	0.000%
6/30/2017	6/30/2017	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:

***Discount Rate:***

Year End	Measurement date	Rate	Change
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%	

***Merit:***

No changes for the year presented.

***Inflation Rate:***

Year End	Measurement date	Rate	Change
6/30/2019	6/30/2018	2.700%	0.000%
6/30/2018	6/30/2017	2.700%	-0.175%
6/30/2017	6/30/2016	2.875%	0.000%
8/31/2016	6/30/2016	2.875%	-0.125%
8/31/2015	6/30/2014	3.000%	

***Investment rate of return:***

Year End	Measurement date	Rate	Change
6/30/2019	6/30/2018	7.200%	-0.125%
6/30/2018	6/30/2017	7.325%	-0.175%
6/30/2017	6/30/2016	7.500%	

***Salary Increases:***

No changes for the year presented.

**OTHER SUPPLEMENTARY INFORMATION**

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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>\$</u>	<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, 2019**

Agency Head Name/Title: Mayor Billy D'Aquila

<b><u>Purpose</u></b>	<b><u>Amount</u></b>
Salary	\$ 12,000
Benefits - insurance	-
Benefits - retirement	1,680
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	425
Conference travel	929
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	155
	<u>\$ 15,189</u>



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*A Professional Accounting Corporation*

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Town of St. Francisville, Louisiana, (The Town) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of St. Francisville, Louisiana's basic financial statements and have issued our report thereon dated November 6, 2019.

**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 of St. Francisville, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 2019-001 and 2019-002.

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

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

### **Purpose of this Report**

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

*Postlethwaite & Netterville*

Donaldsonville, LA  
November 6, 2019

**TOWN OF ST. FRANCISVILLE, LOUISIANA**  
**St. Francisville, LA**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**YEAR ENDED JUNE 30, 2019**

**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?	_____ <u>X</u> yes	_____ no

**SECTION II. FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESS**

*None*

**SIGNIFICANT DEFICIENCIES**

*None*

**COMPLIANCE WITH STATE LAWS AND REGULATIONS**

**2019-001 Louisiana Budget Law**

*Criteria:* Louisiana law (R.S. 39:1311) states that the adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures. The chief executive or administrative officer for a political subdivision subject to public participation as provided in R.S. 39:1307 shall advise the governing authority or independently elected official in writing when total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

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

*Cause:* The Town did not ensure that expenditures were appropriately budgeted.

*Effect:* The Town was in violation of Louisiana Law.

*Recommendation:* The Town should establish policies and procedures over the monitoring of the budget to ensure budgeted amounts do not exceed actual by five percent or more.

**TOWN OF ST. FRANCISVILLE, LOUISIANA**  
**St. Francisville, LA**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**YEAR ENDED JUNE 30, 2019**

**SECTION II. FINANCIAL STATEMENT FINDINGS** (continued)

**COMPLIANCE WITH STATE LAWS AND REGULATIONS** (continued)

**2019-002 Bid Law**

*Criteria:* Louisiana Revised Statute 38:2212.1 requires that purchases of any materials and supplies of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three telephone or facsimile quotations. Louisiana Revised Statute 38:2211(A) requires that purchases of any materials and supplies of thirty thousand dollars or more, shall be required to receive sealed bids.

*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.

*Cause:* The Town did not obtain quotes for the purchase of the police vehicle between ten and thirty thousand dollars or sealed bids for the vehicle over thirty thousand dollars.

*Effect:* The failure to follow the criteria described above is a violation of Louisiana Revised Statute 38:2212.1 and 38:2211(A)

*Recommendation:* The Town should ensure that the necessary quotes and sealed bids are received in order to determine assets were acquired in accordance with Louisiana Public Bid Law.

**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, 2019**

**MATERIAL WEAKNESS**

*None*

**SIGNIFICANT DEFICIENCIES**

***2018-001 Internal control over disbursement approval***

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

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

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

***2018-002 Internal control over bank reconciliations***

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

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

**COMPLIANCE WITH STATE LAWS AND REGULATIONS**

***2018-003 Security of Deposits***

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

*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, 2019**

Coverage	Insurance Company	Expiration Date	Liability Limits
Commercial Property	Markel American Insurance Company	3/7/2020	\$3,552,279 Building & Business Personal Property
Inland Marine - Equipment Floater	Markel American Insurance Company	3/7/2020	\$366,311 Contractors Equipment \$100,000 Leased or rented items \$100,000 Newly Purchased Equipment
Business Auto	Atlantic Specialty Insurance Company	3/7/2020	\$1,000,000 Combined Single Limit Liability
General Liability	Atlantic Specialty Insurance Company	3/7/2020	\$1,000,000 each loss; \$2,000,000 aggregate
Crime Bond	Travelers Casualty & Surety Co of America	3/7/2020	Employee Theft: \$100,000
Employment Practices Liability	Atlantic Specialty Insurance Company	3/7/2020	\$1,000,000 each loss; \$2,000,000 aggregate
Law enforcement officer liability	Atlantic Specialty Insurance Company	3/7/2020	\$1,000,000 each loss; \$2,000,000 aggregate
Public Entity Management Liability	Atlantic Specialty Insurance Company	3/7/2020	\$1,000,000 each loss; \$2,000,000 aggregate
Employee Benefits Liability	Atlantic Specialty Insurance Company	3/7/2020	\$1,000,000 each loss; \$2,000,000 aggregate
Workers' Compensation	La. Municipal Risk Management Agency	10/1/2019	Statutory
Surety Bonds	Record Insurance	10/1/2019	\$100,000 town clerk and tax collector; \$10,000 other officials and employees
Position Scheduled Bond	Record Insurance	6/9/2020	\$50,000 each for mayor, town clerk, bookkeeper, plant controller
Boiler & Machinery	Hartford Steam Boiler Inspection & Ins. Co.	3/7/2020	Equipment Breakdown limit: \$50,000,000
Cyber Liability	BCS Insurance Company	3/7/2020	\$1,000,000 Combined Single Limit Liability

**TOWN OF ST. FRANCISVILLE**  
**St. Francisville, LA**  
**SCHEDULE OF GAS AND WATER RATES (UNAUDITED)**  
**JUNE 30, 2019**

**RESIDENTIAL CUSTOMERS – GAS**

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

**SMALL BUSINESS CUSTOMERS – GAS**

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

**BUSINESS CUSTOMERS – GAS**

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

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

\$18.00 per month for the first 2,000 gallons  
\$2.93 all excess per 1,000 gallons

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

\$20.00 per month for the first 2,000 gallons  
\$3.25 all excess per 1,000 gallons

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

\$22.00 per month for the first 2,000 gallons  
\$3.50 all excess per 1,000 gallons

**SMALL BUSINESS CUSTOMERS - WATER**

\$25.00 per month for the first 2,000 gallons  
\$3.25 all excess per 1,000 gallons

**LARGE BUSINESS CUSTOMERS - WATER**

\$60.00 minimum bill for the first 2,000 gallons  
\$3.25 all excess per 1,000 gallons



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

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

*We love it here*

**TOWN OF ST. FRANCISVILLE, LOUISIANA**  
**St. Francisville, LA**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2019**

**SECTION II. FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESS**

*None*

**SIGNIFICANT DEFICIENCIES**

*None*

**COMPLIANCE WITH STATE LAWS AND REGULATIONS**

**2019-001 Louisiana Budget Law**

*Criteria:* Louisiana law (R.S. 39:1311) states that the adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures. The chief executive or administrative officer for a political subdivision subject to public participation as provided in R.S. 39:1307 shall advise the governing authority or independently elected official in writing when total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

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

**SECTION II. FINANCIAL STATEMENT FINDINGS** (continued)

**COMPLIANCE WITH STATE LAWS AND REGULATIONS** (continued)

*Cause:* The Town did not ensure that expenditures were appropriately budgeted.

*Effect:* The Town was in violation of Louisiana Law.

*Recommendation:* The Town should establish policies and procedures over the monitoring of the budget to ensure budgeted amounts do not exceed actual by five percent or more.

***Response: The Town failed to record a journal entry to properly disperse the liability insurance expense therefore causing the budget to be exceeded. The Town will properly record the expense in the future and insure that our budget remains balanced.***

**2019-002 Bid Law**

Criteria: Louisiana Revised Statute 31:2212.1 requires that purchases of any materials and supplies of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three telephone or facsimile quotations. Louisiana Revised Statute 38:2211(A) requires that purchases of any materials and supplies of thirty thousand dollars or more, shall be required to receive sealed bids.

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.

Cause: The Town did not obtain quotes for the purchase of the police vehicle between ten and thirty thousand dollars or sealed bids for the vehicle over thirty thousand dollars.

Effect: The failure to follow the criteria described above is a violation of Louisiana Revised Statute 38:2212.1 and 38:2211(A).

Recommendation: The Town should ensure that the necessary quotes and sealed bids are received in order to determine assets were acquired in accordance with Louisiana Public Bid Law.

***Response: The Town will maintain the proper documentation required when purchasing from State Contract. If the item cannot be purchased on State Contract, the Town will follow proper bid law.***

Sincerely,



Billy D'Aquila, Mayor  
Town of St. Francisville  
November 4, 2019

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**TOWN OF ST. FRANCISVILLE**

**LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE**  
**AGREED-UPON PROCEDURES REPORT**

**FOR THE YEAR ENDED JUNE 30, 2019**

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INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Town of St. Francisville, Louisiana (The Town) and the Louisiana Legislative Auditor (LLA) (specified users) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 01, 2018 through June 30, 2019. The Town's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, "procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity" is indicated.

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***Written Policies and Procedures***

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

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

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

### **Board or Finance Committee**

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*No exception noted.*

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

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

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

*No exception noted.*

### **Bank Reconciliations**

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

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



*From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending November 30, 2018, resulting in 5 bank reconciliations obtained and subjected to the below procedures.*

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

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

### ***Collections***

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*



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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

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

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

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

*The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. A signed representation by management was obtained on the completeness of the listing provided.*

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

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

*No exception noted.*

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

*No exception noted.*



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

*No exception noted.*

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

*No exception noted.*

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

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

*From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.*

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

*No exception noted.*

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

*No exception noted.*

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

### **Contracts**

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

*An active vendor list for the fiscal period was provided. A signed representation by management was obtained on the completeness of the listing provided.*

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

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

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

***Payroll and Personnel***

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*



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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

### ***Ethics***

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

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

### ***Debt Service***

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*



### *Other*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

### *Corrective Action*

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

*See attached Corrective Action Plan*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Postlethwaite & Netterville*

Donaldsonville, Louisiana  
November 6, 2019



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

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

*We love it here*

November 6, 2019

**Management's Response to Agreed-Upon Procedures Report**

***Board or Finance Committee***

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

Sincerely,

A handwritten signature in blue ink that reads "Billy D'Aquila". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Billy D'Aquila, Mayor  
Town of St. Francisville