

CITY OF ST. MARTINVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The various combining and comparative statements, the Justice System Funding Schedule and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the justice system fund schedule, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative information on the comparative statements has been derived from the City's 2021 financial statements. This information was subjected to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, was fairly presented, in all material respects, in relation to the basic financial statements as a whole.

Other information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2023, on our consideration of the City of St. Martinville internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Martinville's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 26, 2023

BASIC FINANCIAL STATEMENTS

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

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 1,897,360	\$ 205,744	\$ 2,103,104
Investments	5,333	119,272	124,605
Receivables, net	207,790	1,056,643	1,264,433
Internal balances	643,435	(643,435)	-
Due from other governmental units	1,026,092	414,487	1,440,579
Inventories	10,591	138,547	149,138
Prepaid items	91,676	26,775	118,451
Deposits	-	12,000	12,000
Total current assets	<u>3,882,277</u>	<u>1,330,033</u>	<u>5,212,310</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	-	80,922	80,922
Investments	-	283,980	283,980
Capital assets -			
Land and construction in progress	869,809	1,213,846	2,083,655
Capital assets, net	<u>6,327,424</u>	<u>8,062,127</u>	<u>14,389,551</u>
Total noncurrent assets	<u>7,197,233</u>	<u>9,640,875</u>	<u>16,838,108</u>
Total assets	<u>11,079,510</u>	<u>10,970,908</u>	<u>22,050,418</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	442,699	155,928	598,627
Deferred outflows related to postemployment benefits	<u>8,294</u>	<u>2,074</u>	<u>10,368</u>
Total deferred outflows of resources	<u>450,993</u>	<u>158,002</u>	<u>608,995</u>
LIABILITIES			
Current liabilities:			
Accounts, salaries, and other payables	290,044	988,834	1,278,878
Compensated absences payable	16,484	1,497	17,981
Unearned revenue	73,510	-	73,510
Customer deposits	875	364,902	365,777
Notes payable	91,513	17,477	108,990
Bonds payable	670,000	-	670,000
Accrued interest	<u>15,783</u>	<u>-</u>	<u>15,783</u>
Total current liabilities	<u>1,158,209</u>	<u>1,372,710</u>	<u>2,530,919</u>
Noncurrent liabilities:			
Compensated absences payable	105,048	22,762	127,810
Notes payable	146,980	45,445	192,425
Bonds payable	2,112,254	-	2,112,254
Net pension liability	943,690	419,823	1,363,513
Postemployment benefit obligation payable	<u>218,699</u>	<u>64,009</u>	<u>282,708</u>
Total noncurrent liabilities	<u>3,526,671</u>	<u>552,039</u>	<u>4,078,710</u>
Total liabilities	<u>4,684,880</u>	<u>1,924,749</u>	<u>6,609,629</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	448,591	130,778	579,369
Deferred outflows related to postemployment benefits	<u>111,479</u>	<u>32,628</u>	<u>144,107</u>
	<u>560,070</u>	<u>163,406</u>	<u>723,476</u>
NET POSITION			
Net investment in capital assets	4,990,781	8,901,718	13,892,499
Restricted:			
Purpose of grantor	33,602	-	33,602
Capital projects	624,553	-	624,553
Debt service	50,766	-	50,766
Unrestricted (deficit)	<u>585,851</u>	<u>139,037</u>	<u>724,888</u>
Total net position	<u>\$ 6,285,553</u>	<u>\$ 9,040,755</u>	<u>\$ 15,326,308</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2022

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 991,250	\$ -	\$ -	\$ -	\$ (991,250)	\$ -	\$ (991,250)
Public safety	1,763,025	69,228	2,005,899	-	312,102	-	312,102
Public works	1,588,207	545,573	-	-	(1,042,634)	-	(1,042,634)
Recreation	322,596	40,314	17,218	-	(265,064)	-	(265,064)
Tourism	112,030	4,998	-	-	(107,032)	-	(107,032)
Urban redevelopment housing	377,866	-	386,731	-	8,865	-	8,865
Interest on long-term debt	74,131	-	-	-	(74,131)	-	(74,131)
Total governmental activities	<u>5,229,105</u>	<u>660,113</u>	<u>2,409,848</u>	<u>-</u>	<u>(2,159,144)</u>	<u>-</u>	<u>(2,159,144)</u>
Business-type activities:							
Electric	3,637,840	4,885,237	-	-	-	1,247,397	1,247,397
Water	570,146	707,589	-	-	-	137,443	137,443
Wastewater	968,843	676,796	-	561,401	-	269,354	269,354
Total business-type activities	<u>5,176,828</u>	<u>6,269,622</u>	<u>-</u>	<u>561,401</u>	<u>-</u>	<u>1,654,195</u>	<u>1,654,195</u>
Total	<u>\$ 10,405,933</u>	<u>\$ 6,929,735</u>	<u>\$ 2,409,848</u>	<u>\$ 561,401</u>	<u>(2,159,144)</u>	<u>1,654,195</u>	<u>(504,949)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					236,785	-	236,785
Sales and use taxes, levied for general purposes					1,948,575	-	1,948,575
Franchise taxes					122,541	-	122,541
Occupational licenses					225,591	-	225,591
Grants and contributions not restricted to specific programs -							
State sources					479,664	-	479,664
Non-employer pension contribution					40,329	18,112	58,441
Interest and investment earnings					1,221	(20,824)	(19,603)
Gain on sale of assets					3,951	-	3,951
Miscellaneous					125,519	-	125,519
Transfers					914,950	(914,950)	-
Total general revenues and transfers					<u>4,099,126</u>	<u>(917,662)</u>	<u>3,181,464</u>
Change in net position					1,939,982	736,533	2,676,515
Net position - July 1, 2021 as restated					4,345,571	8,304,222	12,649,793
Net position - June 30, 2022					<u>\$ 6,285,553</u>	<u>\$ 9,040,755</u>	<u>\$ 15,326,308</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

MAJOR FUNDS

General Fund

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

Capital Projects Fund

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

Enterprise Fund

Utility Fund -

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

NONMAJOR FUNDS

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

CITY OF ST. MARTINVILLE, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2022

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and interest-bearing deposits	\$ 906,059	\$ 814,295	\$ 177,006	\$ 1,897,360
Investments	5,333	-	-	5,333
Receivables:				
Taxes	183,050	-	-	183,050
Due from other governmental units	1,025,851	13,543	241	1,039,635
Due from other funds	1,141,044	6,868	91,704	1,239,616
Other	11,197	-	-	11,197
Inventory	10,591	-	-	10,591
Prepaid items	91,676	-	-	91,676
Total assets	<u>\$3,374,801</u>	<u>\$ 834,706</u>	<u>\$ 268,951</u>	<u>\$ 4,478,458</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 113,559	\$ 78,519	\$ 301	\$ 192,379
Accrued expenses	96,393	-	1,272	97,665
Customer rental deposits	875	-	-	875
Unearned revenue	-	59,460	14,050	73,510
Due to other funds	355,047	72,174	168,960	596,181
Total liabilities	<u>565,874</u>	<u>210,153</u>	<u>184,583</u>	<u>960,610</u>
Fund balances -				
Nonspendable - prepaid items and inventory	102,267	-	-	102,267
Restricted for capital projects	-	624,553	-	624,553
Restricted for debt service	-	-	50,766	50,766
Restricted for purpose of grantor	-	-	33,602	33,602
Unassigned	2,706,660	-	-	2,706,660
Total fund balances	<u>2,808,927</u>	<u>624,553</u>	<u>84,368</u>	<u>3,517,848</u>
Total liabilities and fund balances	<u>\$3,374,801</u>	<u>\$ 834,706</u>	<u>\$ 268,951</u>	<u>\$ 4,478,458</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022

Total fund balances for governmental funds at June 30, 2022 \$3,517,848

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

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

Land	\$	745,390	
Construction in progress		124,419	
Buildings and improvements, net of \$4,753,269 accumulated depreciation		2,459,066	
Equipment and vehicles, net of \$1,232,144 accumulated depreciation		482,992	
Infrastructure, net of \$1,107,517 accumulated depreciation		<u>3,385,366</u>	7,197,233

The deferred outflows of expenditures for the municipal and police employees retirement systems and postemployment benefits are not a use of current resources, and therefore, are not reported in the funds. 450,993

General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. General long-term debt consist of:

Bonds payable		(2,782,254)	
Accrued interest payable		(15,783)	
Notes payable		(238,493)	
Net postemployment benefit obligation payable		(218,699)	
Compensated absences		(121,532)	
Net pension liability		<u>(943,690)</u>	(4,320,451)

The deferred inflows of contributions for the municipal and police employees retirement systems are not available resources, and therefore, are not reported in the funds. (560,070)

Total net position of governmental activities at June 30, 2022 \$ 6,285,553

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

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2022

	General	Capital Projects Fund	Nonmajor Funds	Total
Revenues:				
Taxes	\$ 2,078,434	\$ -	\$ 106,926	\$ 2,185,360
Licenses and permits	348,132	-	-	348,132
Intergovernmental	2,485,562	-	386,731	2,872,293
Charges for services	590,885	-	-	590,885
Fines and forfeits	69,228	-	-	69,228
Miscellaneous	143,122	17,637	77	160,836
Total revenues	<u>5,715,363</u>	<u>17,637</u>	<u>493,734</u>	<u>6,226,734</u>
Expenditures:				
Current -				
General government	939,576	-	736	940,312
Public safety	1,811,889	-	-	1,811,889
Public works	1,434,795	-	-	1,434,795
Recreation	173,027	-	-	173,027
Tourism	64,073	-	-	64,073
Urban redevelopment and housing	-	-	377,866	377,866
Capital outlay	45,614	226,217	-	271,831
Debt service	98,195	-	423,654	521,849
Total expenditures	<u>4,567,169</u>	<u>226,217</u>	<u>802,256</u>	<u>5,595,642</u>
Excess (deficiency) of revenues over expenditures	<u>1,148,194</u>	<u>(208,580)</u>	<u>(308,522)</u>	<u>631,092</u>
Other financing sources (uses):				
Proceeds from capital lease	-	-	250,000	250,000
Transfers in	1,164,950	-	67,415	1,232,365
Transfers out	(317,415)	-	-	(317,415)
Total other financing sources (uses)	<u>847,535</u>	<u>-</u>	<u>317,415</u>	<u>1,164,950</u>
Net changes in fund balances	1,995,729	(208,580)	8,893	1,796,042
Fund balances, beginning	<u>813,198</u>	<u>833,133</u>	<u>75,475</u>	<u>1,721,806</u>
Fund balances, ending	<u>\$ 2,808,927</u>	<u>\$ 624,553</u>	<u>\$ 84,368</u>	<u>\$ 3,517,848</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022

Total net changes in fund balances at June 30, 2022 per statement of revenues, expenditures and changes in fund balances			\$ 1,796,042
The change in net position reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances		\$ 243,718	
Loss on disposal of assets		(12,928)	
Depreciation expense for the year ended June 30, 2022		<u>(464,016)</u>	(233,226)
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, principal payments are recorded as expenditures in the governmental funds but reduce the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:			
Principal payments		440,225	
Proceeds from issuance of debt		(250,000)	
Amortization of bond premium		<u>5,281</u>	195,506
Pension expense not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure			99,972
Nonemployer contributions to the municipal employees and police employees pension plans			40,329
Change in net OPEB obligation at June 30, 2022 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure			686
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Interest expense		2,212	
Compensated absences		<u>38,461</u>	<u>40,673</u>
Total changes in net position at June 30, 2022 per statement of activities			<u>\$ 1,939,982</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Net Position
 Proprietary Fund
 June 30, 2022

ASSETS

Current assets:		
Cash and interest-bearing deposits		\$ 205,744
Investments		119,272
Receivables:		
Accounts, net		1,056,643
Other		414,487
Due from other funds		539,883
Inventory		138,547
Prepaid items		26,775
Deposits		12,000
Total current assets		<u>2,513,351</u>
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing deposits		80,922
Investments		283,980
Capital assets -		
Land and construction in progress		1,213,846
Other capital assets, net of accumulated depreciation		<u>8,062,127</u>
Total noncurrent assets		<u>9,640,875</u>
Total assets		<u>12,154,226</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions		155,928
Deferred outflows related to postemployment benefits		<u>2,074</u>
Total deferred outflows of resources		<u>158,002</u>

LIABILITIES

Current liabilities:		
Accounts, salaries, and other payables		988,834
Compensated absences		1,497
Due to other funds		1,183,318
Notes payable		17,477
Customer deposits		364,902
Total current liabilities		<u>2,556,028</u>
Noncurrent liabilities:		
Compensated absences		22,762
Notes payable		45,445
Net pension liability		419,823
Postemployment benefit obligation payable		<u>64,009</u>
Total noncurrent liabilities		<u>552,039</u>
Total liabilities		<u>3,108,067</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions		130,778
Deferred outflows related to postemployment benefits		<u>32,628</u>
		<u>163,406</u>

NET POSITION

Net investment in capital assets		8,901,718
Unrestricted		<u>139,037</u>
Total net position		<u>\$ 9,040,755</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Fund
 For the Year Ended June 30, 2022

Operating revenues:	
Charges for services -	
Electric	\$ 4,735,451
Water	707,589
Wastewater	676,796
Permits, reconnections and penalties	149,785
Total operating revenues	<u>6,269,621</u>
Operating expenses:	
Electric	3,637,839
Water	570,146
Wastewater	965,180
Total operating expenses	<u>5,173,164</u>
Operating income	<u>1,096,457</u>
Nonoperating revenues (expenses):	
Investment expense	(20,824)
Interest expense	(3,663)
Nonemployer contribution revenue	18,112
Total nonoperating revenues (expenses)	<u>(6,375)</u>
Income before capital contributions and transfers	1,090,082
Capital contributions	561,401
Transfers out	<u>(914,950)</u>
Change in net position	736,533
Net position, beginning as restated	<u>8,304,222</u>
Net position, ending	<u>\$ 9,040,755</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2022

Cash flows from operating activities:	
Receipts from customers	\$ 6,132,891
Payments to suppliers	(4,240,348)
Payments to employees	<u>(921,479)</u>
Net cash provided by operating activities	<u>971,064</u>
Cash flows from noncapital financing activities:	
Increase in customer deposits, net of refunds	(7,142)
Cash received from other funds	(91,128)
Transfers out	<u>(914,950)</u>
Net cash used by noncapital financing activities	<u>(1,013,220)</u>
Cash flows from capital and related financing activities:	
Purchase and construction of capital assets	(354,346)
Principal payments	(18,839)
Grants received	<u>423,795</u>
Net cash provided by capital and related financing activities	<u>50,610</u>
Cash flows from investing activities:	
Maturities of investments, net of purchases	(358,232)
Investment income	<u>(20,824)</u>
Net cash used by investing activities	<u>(379,056)</u>
Net decrease in cash and cash equivalents	(370,602)
Cash and cash equivalents, beginning of period	<u>657,268</u>
Cash and cash equivalents, end of period	<u>\$ 286,666</u>

(continued)

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2022

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,096,457
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	355,027
Pension/OPEB expense	(7,525)
Changes in current assets and liabilities:	
Receivables	(277,113)
Inventory	70,434
Prepaid items	(13,833)
Accounts and other payables	(232,320)
Compensated absences	(20,063)
Total adjustments	<u>(125,393)</u>
Net cash provided by operating activities	<u>\$ 971,064</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 285,224
Cash - restricted	<u>372,044</u>
Total cash and cash equivalents	<u>657,268</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	205,744
Cash - restricted	<u>80,922</u>
Total cash and cash equivalents	<u>286,666</u>
Net decrease	<u>\$ (370,602)</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

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

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

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The major funds of the City are described below:

Governmental Funds -

General Fund -

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

Capital Projects Fund -

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

Proprietary Fund -

Enterprise Fund -

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

The City's nonmajor funds are described below:

Debt Service Fund --

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

Section 8 Fund -

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

C. Measurement Focus/Basis of Accounting

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Cash and interest-bearing deposits

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

Investments

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

Interfund receivables and payables

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

Inventories

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

Prepays

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. The major receivable balance for the governmental activities is sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading/billing and the end of the month are estimated and recorded at June 30, 2022. All receivables are shown net of an allowance account, as applicable. At June 30, 2022, the allowance amount associated with the receivables of the Utility Fund was \$30,708.

Capital Assets

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

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

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

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

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Restricted Assets

Restricted assets include cash, interest-bearing deposits, and investments that are legally restricted as to their use. At June 30, 2022, the restricted assets were related to utility customers' deposits in the amounts of \$364,902.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Long-term debt

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

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

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

Compensated Absences

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

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

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows:

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

Governmental Funds - By Character
Proprietary Funds - By Operating and Nonoperating

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

Interfund Transfers

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

F. Capitalization of Interest Expense

It is the policy of the City of St. Martinville to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the proprietary funds. At June 30, 2022, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

G. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2022, the City has cash and interest-bearing deposits (book balances) totaling \$2,468,006.

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

Deposit balances (bank balances) at June 30, 2022 are secured as follows:

Bank balances	<u>\$2,591,332</u>
Federal deposit insurance	\$1,287,229
Pledged securities	<u>1,304,103</u>
Total	<u>\$2,591,332</u>

Deposits in the amount of \$1,304,103 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the City's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. The City does not have a policy for custodial credit risk.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Investments

As of June 30, 2022, the City had the following investments and maturities:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One - Five Years</u>
Mutual Funds:				
Fixed Income	99%	\$ 403,252	\$ -	\$ 403,252
Money Market	1%	5,333	5,333	-
Total	<u>100%</u>	<u>\$ 408,585</u>	<u>\$ 5,333</u>	<u>\$ 403,252</u>

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

Credit Risk/Concentration of Credit Risk – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City limits investments to government securities that are direct and indirect obligations of the United States Government. At June 30, 2022, investments with a fair value of \$403,252 were rated AA+ by Standards & Poor’s.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City requires all investments to be in the City’s name and all ownership securities to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the City. Accordingly, the City had no custodial credit risk related to its investments at June 30, 2022.

(4) Due from Other Governmental Units

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

Governmental Activities -	
State of Louisiana:	
Federal pass-through grant funds	\$ 884,436
Beer tax	3,361
Video poker	49,619
Louisiana Department of Transportation:	
Off track betting	1,904
St. Martin Parish Sheriff: - ad valorem taxes	1,437
Housing Authority - payment in lieu of taxes	37,120
Other	<u>48,215</u>
Total Governmental Activities	1,026,092
Business Type Activities -	
Federal Grants	<u>414,487</u>
	<u>\$ 1,440,579</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance 07/01/21	Additions	Deletions	Balance 06/30/22
Governmental activities:				
Assets not being depreciated:				
Land	\$ 745,390	\$ -	\$ -	\$ 745,390
Construction in progress	4,886	119,534	-	124,419
Assets being depreciated:				
Buildings and improvements	7,127,389	84,947	-	7,212,335
Equipment and vehicles	1,696,312	39,237	20,413	1,715,136
Infrastructure	4,492,883	-	-	4,492,883
Totals	<u>14,066,859</u>	<u>243,718</u>	<u>20,413</u>	<u>14,290,163</u>
Less accumulated depreciation:				
Buildings and improvements	4,534,946	218,323	-	4,753,269
Equipment and vehicles	1,106,258	133,371	7,485	1,232,144
Infrastructure	995,195	112,322	-	1,107,517
Total accumulated depreciation	<u>6,636,399</u>	<u>464,016</u>	<u>7,485</u>	<u>7,092,930</u>
Governmental activities, capital assets, net	<u>\$7,430,459</u>	<u>\$ (220,298)</u>	<u>\$ 12,928</u>	<u>\$7,197,233</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 482,737	\$ -	\$ -	\$ 482,737
Construction in progress	100,033	631,076	-	731,109
Capital assets being depreciated:				
Buildings and improvements	1,043,540	-	-	1,043,540
Equipment	1,024,834	-	-	1,024,834
Wastewater and water plant	17,075,446	-	-	17,075,446
Electric lines and meters	1,857,717	-	-	1,857,717
Totals	<u>21,584,307</u>	<u>631,076</u>	<u>-</u>	<u>22,215,383</u>
Less accumulated depreciation:				
Buildings and improvements	1,035,203	784	-	1,035,987
Equipment	795,720	34,726	-	830,446
Wastewater and water plant	9,034,687	293,928	-	9,328,615
Electric lines and meters	1,718,773	25,589	-	1,744,362
Total accumulated depreciation	<u>12,584,383</u>	<u>355,027</u>	<u>-</u>	<u>12,939,410</u>
Business-type activities, capital assets, net	<u>\$8,999,924</u>	<u>\$ 276,049</u>	<u>\$ -</u>	<u>\$9,275,973</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 42,039
Public safety	66,870
Public works	157,846
Culture and recreation	149,270
Tourism	47,991
	<u>\$ 464,016</u>

Depreciation expense was charged to business-type activities as follows:

Electric	\$ 27,832
Water	86,180
Wastewater	241,015
	<u>\$ 355,027</u>

(6) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2022:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 192,379	\$ 934,908	\$ 1,127,287
Contracts and retainage	-	27,346	27,346
Accrued payroll and related liabilities	97,665	26,580	124,245
Totals	<u>\$ 290,044</u>	<u>\$ 988,834</u>	<u>\$ 1,278,878</u>

(7) Changes in Long-Term Debt

The following is a summary of the changes for the year ended June 30, 2022:

	<u>Balance 7/1/2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2022</u>
Governmental Activities:				
General obligation bonds	\$ 1,315,000	\$ -	\$ 65,000	\$ 1,250,000
Sales tax revenue bonds	805,013	-	47,000	758,013
Series 2012 refunding bonds	760,000	-	245,000	515,000
Revenue Anticipation Loan	-	250,000	-	250,000
Note payable	321,718	-	83,225	238,493
Compensated absences	159,993	87,132	125,593	121,532
	<u>3,361,724</u>	<u>337,132</u>	<u>565,818</u>	<u>3,133,038</u>
Unamortized bond premium	14,522	-	5,281	9,241
Total governmental activities	<u>\$ 3,376,246</u>	<u>\$ 337,132</u>	<u>\$ 571,099</u>	<u>\$ 3,142,279</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

	Balance 7/1/2021	Additions	Reductions	Balance 6/30/2022
Business-type Activities:				
Note payable	\$ 81,761	\$ -	\$ 18,839	\$ 62,922
Compensated absences	44,322	18,756	38,819	24,259
Total business-type activities	<u>\$ 126,083</u>	<u>\$ 18,756</u>	<u>\$ 57,658</u>	<u>\$ 87,181</u>

Long-term debt at June 30, 2022 is comprised of the following:

Governmental activities –

		Current Portion
\$2,485,000 Street Improvement Refunding Bonds Series 2012 dated June 29, 2012; due in annual installments of \$20,000 to \$260,000 through April 1, 2024; interest at 2.55 percent, payable from and secured by a pledge and dedication of excess revenues.	\$ 515,000	\$ 255,000
\$1,500,000 General Obligation Bond Series 2016 dated March 10, 2016; due in annual installments of \$60,000 - \$115,000 through March 1, 2036; interest at 3.00 percent and payable from and secured by levy collection of ad valorem taxes.	1,250,000	70,000
\$944,013 Sales Tax Bond, Series 2015 issued by Louisiana Department of Environmental Quality; due in annual installments of \$92,000 to \$99,000 through January 1, 2029; interest at 0.45 percent, payable from sales tax collections. Interest and administrative fees amounted to \$3,517 and \$3,908, respectively, for the year ended June 30, 2022.	758,013	95,000
\$250,000 Revenue Anticipation Note Series 2021 dated September 24, 2021, with a maturity date of September 30, 2022, interest rate of 5%.	<u>250,000</u>	<u>250,000</u>
Total bonds payable	2,773,013	670,000
Add: premium on issuance of debt	<u>9,241</u>	
Net bonds payable	<u>2,782,254</u>	

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(Continued)

Notes payable -

\$228,623 vehicle lease-purchase dated August 8, 2019, due in 60 monthly installments of \$754, including interest at 5.50 percent, through August 8, 2024, secured by General Fund revenues and assets with a carrying value of \$98,977.	106,807	47,720
\$75,413 equipment lease-purchase dated Febaury 10, 2020, due in 60 monthly installments of \$1,457, including interest at 6.06 percent, through August 8, 2024, secured by General Fund revenues and assets with a carrying value of \$61,273.	44,106	16,489
\$26,233 equipment lease-purchase dated April 9, 2020, due in 60 monthly installments of \$754, including interest at 5.45 percent, through August 8, 2024, secured by General Fund revenues and assets with a carrying value of \$17,800.	12,126	6,788
\$29,357 vehicle lease-purchase dated August 4, 2020, due in 60 monthly installments of \$548, including interest at 4.75 percent, through July 4, 2025, secured by General Fund revenues and assets with a carrying value of \$18,104.	18,843	5,812
\$34,230 equipment lease-purchase dated November 13, 2020, due in 60 monthly installments of \$640, including interest at 4.75 percent, through October 13, 2025, secured by General Fund revenues and assets with a carrying value of \$22,820.	23,615	6,697
\$42,025 equipment lease-purchase dated May 18, 2021, due in 60 monthly installments of \$790, including interest at 5.00 percent, through April 18, 2026, secured by General Fund revenues and assets with a carrying value of \$32,919.	<u>32,996</u>	<u>8,007</u>
Total notes payable	<u>238,493</u>	<u>91,513</u>
Total governmental activities long-term liabilities	<u>\$ 3,020,747</u>	<u>\$ 761,513</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(Continued)

Business-type activities

Utility Fund

\$25,811 vehicle lease-purchase dated August 4, 2020, due in 60 monthly installments of \$482, including interest at 4.75 percent, through July 4, 2025, secured by Utility Fund revenues and assets with a carrying value of \$15,917.

16,566 5,110

\$68,820 equipment lease-purchase dated November 13, 2020, due in 60 monthly installments of \$1,286, including interest at 4.75 percent, through October 13, 2025, secured by Utility Fund revenues and assets with a carrying value of \$45,880.

46,356 12,367

Total notes payable- business-type activities

\$ 62,922 \$ 17,477

The annual requirements to amortize debt outstanding at June 30, 2022 are as follows:

June 30,	Governmental Activities				Business-Type Activities	
	Bonds		Notes Payable		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	670,000	65,494	91,513	10,842	17,477	2,453
2024	426,000	43,964	93,515	5,563	19,476	1,740
2025	172,000	34,727	42,665	1,456	20,422	794
2026	172,000	32,040	10,799	205	5,547	52
2027	178,000	29,279	-	-	-	-
2028-2032	630,013	101,522	-	-	-	-
2033-2037	525,000	26,550	-	-	-	-
Totals	\$ 2,773,013	\$ 333,574	\$ 238,493	\$ 18,066	\$ 62,922	\$ 5,039

(8) Pension Plans

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

Plan Descriptions:

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

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

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

Contributions

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2022 for the defined benefit pension plans in which the City is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Nonemployer Contributing Entities</u>	<u>Government Contributions</u>
MERS	5.00%	15.50%	\$ 45,216	\$ 216,915
MPERS	10.00%	33.75%	<u>13,225</u>	<u>60,941</u>
Total			<u>\$ 58,441</u>	<u>\$ 277,856</u>

Net Pension Liability

The City's net pension liability at June 30, 2022 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2021 for both plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 1,048,057	1.890152%	0.228662%
MPERS	<u>315,456</u>	0.059179%	-0.012059%
Total	<u>\$ 1,363,513</u>		

Since the measurement date of the net pension liability was June 30, 2021, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows: MERS – <http://www.mersla.com> ; MPERS – <http://lampers.org/> .

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Actuarial Assumptions

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

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

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

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

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

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

(5) Pub-2010 Public Retirement Plan Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.

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

Cost of Living Adjustments

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Discount Rate

The discount rate used to measure the total pension liability for MERS was 6.850%, which was a decrease of 0.100% from the prior year valuation. The discount rate used to measure the total pension liability for MPERS was 6.750%, which was a decrease of 0.200% from the prior year valuation. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Rate of Return

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

Asset Class	MERS		MPERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Public equity	53%	2.31%	55.5%	3.47%
Public fixed income	38%	1.65%	30.5%	0.59%
Alternative Investments	9%	0.39%	14.0%	1.01%
Totals	<u>100%</u>	4.35%	<u>100%</u>	5.07%
Inflation		<u>2.60%</u>		<u>2.22%</u>
Expected arithmetic nominal return		<u>6.95%</u>		<u>7.29%</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2022, the City recognized \$185,507 and \$240 in pension expense related to MERS and MPERS, respectively.

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

	Deferred Outflows of Resources		
	MERS	MPERS	Total
Changes of assumptions	\$ 42,413	\$ 34,935	\$ 77,348
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	107,803	106,310	214,113
Contributions subsequent to the measurement date	200,728	106,438	307,166
Total	<u>\$ 350,944</u>	<u>\$ 247,683</u>	<u>\$ 598,627</u>

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 43,251	\$ 9,715	\$ 52,966
Changes of assumptions		8,999	8,999
Net differences between projected and actual earnings on plan investments	283,227	147,293	430,520
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	86,884	86,884
Total	<u>\$ 326,478</u>	<u>\$ 252,891</u>	<u>\$ 579,369</u>

Deferred outflows of resources of \$307,166 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the subsequent year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended	MERS	MPERS	Total
<u>June 30</u>			
2023	\$ 18,785	\$ (6,353)	\$ 12,432
2024	(22,058)	(790)	(22,848)
2025	(73,458)	(53,757)	(127,215)
2026	(99,531)	(50,746)	(150,277)
	<u>\$(176,262)</u>	<u>\$ (111,646)</u>	<u>\$ (287,908)</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.850%	\$1,607,939	\$ 1,048,057	\$ 574,502
MPERS	6.750%	549,791	315,456	119,866
Total		\$2,157,730	\$ 1,363,513	\$ 694,368

Payables to the Pension Plans

At June 30, 2022, the City’s payables were \$7,487 and \$3,463 to MERS and MPERS, respectively, for the month of June 2022, which were the contractually required contributions.

(9) Postretirement Health Care and Life Insurance Benefits

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

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

Employees covered by benefit terms – At July 1, 2022, the following employees were covered by the medical plan terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	52
Total	53

A total of 52 active and 1 retirees have one or more health coverages.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Total OPEB Liability

The City's total OPEB liability of \$282,708 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.5%
Discount rate, including inflation	3.54%
Medical healthcare cost trend rate, flat annually	4.5%
Dental/vision healthcare cost trend rate, flat annually	3.0%
Mortality	RH-2014 Total Table

Changes in the Total OPEB Liability

Balance at June 30, 2021	\$ 417,310
Changes for the year:	
Service cost	46,285
Interest	10,034
Differences between expected and actual	(149,154)
Changes in assumptions	(22,615)
Benefit payments and net transfers	(19,152)
Net changes	<u>(134,602)</u>
Balance at June 30, 2022	<u>\$ 282,708</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1.00% Decrease 2.54%	Current Discount Rate 3.54%	1.00% Increase 4.54%
Total OPEB liability	<u>\$ 299,781</u>	<u>\$ 282,708</u>	<u>\$ 266,375</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

	1.00% Decrease <u>3.5%</u>	Current Trend Rate <u>4.5%</u>	1.00% Increase <u>5.5%</u>
Total OPEB liability	<u>\$ 258,037</u>	<u>\$ 282,708</u>	<u>\$ 311,301</u>

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$56,319. At June 30, 2022, there were \$144,107 deferred inflows with \$10,368 of deferred outflows of resources related to OPEB.

(10) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2022:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 1,141,044	\$ 355,047
Capital Projects Funds	6,868	72,174
Enterprise Fund:		
Utility Fund	539,883	1,183,318
Nonmajor Funds	<u>91,704</u>	<u>168,960</u>
Total	<u>\$ 1,779,499</u>	<u>\$ 1,779,499</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Interfund transfers

Interfund transfers consisted of the following at June 30, 2022:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 1,164,950	\$ 317,415
Capital Projects Funds	-	-
Enterprise Fund:		
Utility Fund	250,000	1,164,950
Nonmajor Funds	<u>67,415</u>	<u>-</u>
Total	<u>\$ 1,482,365</u>	<u>\$ 1,482,365</u>

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

(11) Dedication of Sales Tax Revenues

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

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

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

Sales and use tax revenues for the fiscal year ended June 30, 2022 were \$1,948,575. Proceeds from the taxes and all reasonable and necessary costs and expenses of collecting the taxes are recorded in the General Fund.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Ad Valorem Taxes

For the year ended June 30, 2022, taxes of 8.65 mills were levied on property with assessed valuations totaling \$23,220,080 and were dedicated as follows:

General alimony	4.02 mills
Public improvement bonds	4.72 mills

Total taxes levied for the year ended June 30, 2022 were \$202,944. The taxes are levied and assessed in June of each year. Tax bills are mailed in November, due on December 31, and are delinquent if unpaid as of January 1.

(13) Contracts

On December 5, 2018, the City entered into a long-term contract with CLECO with an effective date of January 1, 2019 and continued through December 31, 2022. This agreement provides for the purchase of the City's power and energy requirements from CLECO as well as the lease of the City's substation by CLECO.

During the year ended June 30, 2022, the City purchased power from CLECO in the amount of \$2,771,703 which \$543,442 was payable at year end. This amount has been accrued in the accompanying financial statements.

(14) Fair Value Measurements

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

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2022:

Description	Total	Level 1	Level 2	Level 3
Mutual Funds:				
Fixed Income	\$ 403,252	\$ -	\$ 403,252	\$ -

(15) Compensation of City Council

The compensation paid to the council members for the year ended June 30, 2022 follows:

Craig Prosper	\$ 8,927
Mike Fuselier	8,927
Juma Johnson	8,927
Dennis Williams	8,927
Edmond Joseph	8,927
Total	<u>\$ 44,635</u>

(16) Risk Management

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

(17) On-behalf Payments

The City has recognized \$96,801 as a revenue and an expenditure for on-behalf salary payments made by the state of Louisiana.

(18) Contingencies

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

At June 30, 2022, the City is a defendant in a lawsuit. Although the outcome of the lawsuit is not presently determinable, in the opinion of the City's attorney, any judgements rendered in favor of the plaintiff or payments resulting from compromise settlements, if any, will be within the limits of the various insurance coverages carried by the City. The pending lawsuit is not related to any projects funded by the Louisiana Department of Environmental Quality.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(19) Tax Abatements

The City is subject to tax abatements granted by the Louisiana Board of Commerce and Energy. The program has a purpose of increasing business activity and employment in the City. Under the program, companies commit to expand or maintain facilities or employment, establish a new business, or relocate an existing business to the City. Agreements include an abatement of ad valorem taxes for a period of 10 years from the initial assessment period. These abatements result in a reduction of property taxes. At June 30, 2022, the City's ad valorem taxes were reduced by \$4,346 for industrial exemptions in effect.

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

The schedule of compensation, benefits, and other payments to the Mayor for the year ended June 30, 2022 follows:

Melinda Mitchell, Mayor

Salary	\$ 56,395
Benefits - insurance	1,268
Benefits - retirement	<u>8,741</u>
Total	<u>\$ 66,404</u>

(21) Prior year Restatement

The City determined during the fiscal year that there were accounts receivable customer balances inadvertently included on the general ledger that were previously written off and turned over to collections in a prior fiscal year. The enterprise fund was restated to properly record prior years revenue. This change resulted in a restatement of previously reported net position as follows:

	<u>Business-type Activities/ Proprietary Fund</u>
Net position, June 30, 2021, as previously reported	\$8,360,752
Net effect of improperly recording receivables	<u>(56,530)</u>
Net position, June 30, 2021, as restated	<u>\$8,304,222</u>

(22) Subsequent Events

On August 10, 2022, the City entered into a long-term contract with The Louisiana Energy and Power Authority to provide the City's power and energy requirements. The agreement will commence on January 1, 2023 and extend through December 27, 2027 incurring an initial monthly demand rate of \$7.75 per kw.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,958,000	\$ 2,049,421	\$ 2,078,434	\$ 29,013
Licenses and permits	368,250	323,093	348,132	25,039
Intergovernmental	519,256	2,323,768	2,485,562	161,794
Charges for services	569,321	586,023	590,885	4,862
Fines and forfeitures	225,000	68,572	69,228	656
Miscellaneous income	40,641	168,609	143,122	(25,487)
Total revenues	<u>3,680,468</u>	<u>5,519,486</u>	<u>5,715,363</u>	<u>195,877</u>
Expenditures:				
Current -				
General government	902,528	1,076,653	939,576	137,077
Public safety	1,701,262	1,765,398	1,811,889	(46,491)
Public works	1,358,496	1,435,025	1,434,795	230
Recreation	215,457	146,603	173,027	(26,424)
Tourism	8,721	54,697	64,073	(9,376)
Capital outlay	268,000	182,192	45,614	136,578
Debt service	100,898	81,442	98,195	(16,753)
Total expenditures	<u>4,555,362</u>	<u>4,742,010</u>	<u>4,567,169</u>	<u>174,841</u>
Excess (deficiency) of revenues over expenditures	<u>(874,894)</u>	<u>777,476</u>	<u>1,148,194</u>	<u>370,718</u>
Other financing sources (uses):				
Proceeds from capital lease	-	254,856	-	(254,856)
Transfers in	1,250,000	1,500,000	1,164,950	(335,050)
Transfers out	(266,000)	(300,000)	(317,415)	(17,415)
Total other financing sources (uses)	<u>984,000</u>	<u>1,454,856</u>	<u>847,535</u>	<u>(607,321)</u>
Net change in fund balance	109,106	2,232,332	1,995,729	(236,603)
Fund balance, beginning	<u>813,198</u>	<u>813,198</u>	<u>813,198</u>	<u>-</u>
Fund balance, ending	<u>\$ 922,304</u>	<u>\$ 3,045,530</u>	<u>\$ 2,808,927</u>	<u>\$ (236,603)</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2022

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

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

CITY OF ST. MARTINVILLE

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2022*

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees Retirement System					
2022	1.80915%	\$ 1,048,057	\$ 1,402,148	74.7%	79.14%
2021	1.66149%	1,505,687	1,285,932	117.1%	66.26%
2020	1.54611%	1,352,561	1,183,320	114.3%	65.60%
2019	1.74236%	1,473,742	1,291,227	114.1%	65.60%
2018	1.85732%	1,607,017	1,378,305	116.6%	63.49%
2017	1.79651%	1,489,139	1,319,904	112.8%	63.34%
2016	1.76133%	1,197,084	1,230,739	97.3%	68.71%
2015	1.72688%	810,765	1,204,589	67.3%	76.94%
Municipal Police Employees Retirement System					
2022	0.05918%	\$ 315,456	\$ 184,415	171.1%	84.09%
2021	0.07124%	658,405	217,036	303.4%	70.94%
2020	0.04544%	412,708	141,916	290.8%	71.01%
2019	0.05049%	426,854	149,005	286.5%	71.89%
2018	0.07106%	620,349	212,125	292.4%	70.08%
2017	0.07828%	733,667	219,269	334.6%	66.04%
2016	0.04933%	386,425	141,570	273.0%	70.73%
2015	0.06298%	394,921	174,883	225.8%	75.10%

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

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

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Employer Pension Contributions
For the Year Ended June 30, 2022

<u>Year ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
Municipal Employees Retirement System					
2022	\$ 216,915	\$ 216,915	\$ -	\$ 1,399,452	15.50%
2021	217,333	217,333	-	1,402,148	15.50%
2020	180,030	180,030	-	1,285,932	14.00%
2019	165,665	165,665	-	1,183,320	14.00%
2018	171,088	171,088	-	1,291,227	13.25%
2017	151,648	151,648	-	1,378,305	11.00%
2016	125,391	125,391	-	1,319,904	9.50%
2015	116,920	116,920	-	1,230,739	9.50%
Municipal Police Employees Retirement System					
2022	\$ 60,941	\$ 60,941	\$ -	\$ 180,566	33.75%
2021	62,240	62,240	-	184,415	33.75%
2020	69,994	69,994	-	217,036	32.25%
2019	45,768	45,768	-	141,916	32.25%
2018	45,819	45,819	-	149,005	30.75%
2017	67,350	67,350	-	212,125	31.75%
2016	64,684	64,684	-	219,269	29.50%
2015	44,595	44,595	-	141,570	31.50%

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

CITY OF ST. MARTINVILLE

Notes to the Required Supplementary Information
For the Year Ended June 30, 2022

(1) Budget and Budgetary Accounting

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

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

(2) Excess Expenditures Over Appropriations

For the year ended June 30, 2022, the General Fund had actual expenditures over appropriations as follows:

	Final Budget	Actual	Excess
Public Safety	\$ 1,765,398	\$ 1,811,889	\$ (46,491)
Recreation	146,603	173,027	(26,424)
Tourism	54,697	64,073	(9,376)
Debt Service	81,442	98,195	(16,753)

(3) Pension Plans

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

CITY OF ST. MARTINVILLE

Notes to the Required Supplementary Information
For the Year Ended June 30, 2022

- (4) Other Postemployment Benefits
- a) Benefit changes – There were no changes of benefit terms.
 - b) Changes of assumptions – The discount rate increased from 2.21% to 3.54%.

OTHER SUPPLEMENTARY INFORMATION

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Net Position
June 30, 2022
With Comparative Totals as of June 30, 2021

	2022			2021
	Governmental Activities	Business-Type Activities	Total	Totals
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 1,897,360	\$ 205,744	\$ 2,103,104	\$ 1,392,747
Investments	5,333	119,272	124,605	50,353
Receivables, net	207,790	1,056,643	1,264,433	1,221,830
Internal balances	643,435	(643,435)	-	-
Due from other governmental units	1,026,092	414,487	1,440,579	485,458
Inventories	10,591	138,547	149,138	256,759
Prepaid items	91,676	26,775	118,451	57,771
Deposits	-	12,000	12,000	12,000
Total current assets	3,882,277	1,330,033	5,212,310	3,476,918
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	-	80,922	80,922	372,044
Investments	-	283,980	283,980	-
Capital assets -				
Land and construction in progress	869,809	1,213,846	2,083,655	1,333,046
Capital assets, net	6,327,424	8,062,127	14,389,551	15,097,337
Total noncurrent assets	7,197,233	9,640,875	16,838,108	16,802,427
Total assets	11,079,510	10,970,908	22,050,418	20,279,345
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	442,699	155,928	598,627	813,792
Deferred outflows related to postemployment benefits	8,294	2,074	10,368	14,098
Total deferred outflows of resources	450,993	158,002	608,995	827,890
LIABILITIES				
Current liabilities:				
Accounts, salaries, and other payables	290,044	988,834	1,278,878	1,734,228
Compensated absences payable	16,484	1,497	17,981	77,854
Unearned revenue	73,510	-	73,510	14,050
Customer deposits	875	364,902	365,777	377,094
Capital lease payable	91,513	17,477	108,990	102,169
Bonds payable	670,000	-	670,000	404,000
Accrued interest	15,783	-	15,783	17,995
Total current liabilities	1,158,209	1,372,710	2,530,919	2,727,390
Noncurrent liabilities:				
Compensated absences payable	105,048	22,762	127,810	126,461
Capital lease payable	146,980	45,445	192,425	301,310
Bonds payable	2,112,254	-	2,112,254	2,490,535
Net pension liability	943,690	419,823	1,363,513	2,164,092
Postemployment benefit obligation payable	218,699	64,009	282,708	417,310
Total noncurrent liabilities	3,526,671	552,039	4,078,710	5,499,708
Total liabilities	4,684,880	1,924,749	6,609,629	8,227,098
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	448,591	130,778	579,369	173,814
Deferred outflows related to postemployment benefits	111,479	32,628	144,107	-
	560,070	163,406	723,476	173,814
NET POSITION				
Net investment in capital assets	4,990,781	8,901,718	13,892,499	13,984,030
Restricted:				
Purpose of grantor	33,602	-	33,602	24,709
Capital projects	624,553	-	624,553	833,133
Debt service	50,766	-	50,766	50,766
Unrestricted (deficit)	585,851	139,037	724,888	(2,186,315)
Total net position	\$ 6,285,553	\$ 9,040,755	\$ 15,326,308	\$ 12,706,323

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes -					
Ad valorem	\$ 91,500	\$ 92,833	\$ 92,739	\$ (94)	\$ 91,841
Payments in lieu of taxes	32,000	35,030	37,120	2,090	35,030
Sales	1,834,500	1,921,558	1,948,575	27,017	1,751,515
Total taxes	<u>1,958,000</u>	<u>2,049,421</u>	<u>2,078,434</u>	<u>29,013</u>	<u>1,878,386</u>
Licenses and permits -					
Occupational and liquor licenses	225,000	226,281	225,591	(690)	238,353
Franchise, fees, and permits	143,250	96,812	122,541	25,729	132,407
Total licenses and permits	<u>368,250</u>	<u>323,093</u>	<u>348,132</u>	<u>25,039</u>	<u>370,760</u>
Intergovernmental -					
Federal and state grants	55,000	1,878,024	1,909,098	31,074	359,726
State revenue sharing	2,362	2,610	2,610	-	3,543
Beer tax	13,894	9,599	12,960	3,361	9,804
Video poker/Off track betting	334,000	341,994	464,093	122,099	385,987
Local grants	-	2,500	-	(2,500)	2,500
Other	-	-	-	-	11,004
On behalf payments	114,000	89,041	96,801	7,760	97,134
Total intergovernmental	<u>519,256</u>	<u>2,323,768</u>	<u>2,485,562</u>	<u>161,794</u>	<u>869,698</u>
Charges for services -					
Garbage	535,000	538,881	537,888	(993)	526,004
Grass cutting fees	7,270	4,860	7,685	2,825	9,556
Recreation	23,051	38,732	40,314	1,582	11,706
Tourism center	4,000	3,550	4,998	1,448	6,248
Total charges for services	<u>569,321</u>	<u>586,023</u>	<u>590,885</u>	<u>4,862</u>	<u>553,514</u>
Fines and forfeits	225,000	68,572	69,228	656	81,710
Miscellaneous -					
Sale of assets	17,580	18,000	16,879	(1,121)	15,925
Interest	169	743	798	55	155
Other	22,892	149,866	125,445	(24,421)	121,336
Total miscellaneous	<u>40,641</u>	<u>168,609</u>	<u>143,122</u>	<u>(25,487)</u>	<u>137,416</u>
Total revenues	<u>\$ 3,680,468</u>	<u>\$ 5,519,486</u>	<u>\$ 5,715,363</u>	<u>\$ 195,877</u>	<u>\$ 3,891,484</u>

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Actual	Variance with Final Budget Positive (Negative)	2021 Actual
	Budget				
	Original	Final			
Current:					
General government -					
Mayor and council salaries	\$ 101,028	\$ 101,767	\$ 98,592	\$ 3,175	\$ 101,134
Other salaries and wages	300,814	321,035	323,892	(2,857)	282,206
Retirement	46,136	50,971	42,515	8,456	55,311
Group insurance	43,010	39,445	41,503	(2,058)	37,676
Payroll taxes	31,514	24,629	28,556	(3,927)	28,045
Auto allowance	-	-	-	-	18
Insurance	84,054	95,203	97,634	(2,431)	99,509
Office	15,127	44,152	19,039	25,113	40,260
Advertising	3,380	1,179	673	506	7,526
Dues	8,730	4,558	1,899	2,659	7,325
Claim payments	-	1,804	5,978	(4,174)	3,157
Legal and professional fees	54,800	166,787	104,340	62,447	103,030
Magistrate	18,000	18,000	15,000	3,000	19,500
Travel and conferences	-	-	-	-	238
Fuel	759	1,279	1,510	(231)	664
Indigent defendants cost	50,000	26,708	22,617	4,091	24,695
Telephone and postage	34,389	16,390	14,555	1,835	10,647
Rent	1,709	-	-	-	-
Repairs and maintenance	2,232	14,965	19,104	(4,139)	86,860
Collection expense	27,696	30,408	15,281	15,127	24,084
Contribution - SMEDA	14,000	14,000	14,000	-	14,137
Inspection fees	57,785	28,374	41,096	(12,722)	52,456
COVID 19 expense	-	-	-	-	2,866
Hurricane	-	-	-	-	15,094
Election expense	-	50,000	23,426	26,574	-
Depreciation	-	-	145	(145)	-
Miscellaneous	7,365	24,999	8,221	16,778	25,114
Total general government	902,528	1,076,653	939,576	137,077	1,041,552
Public safety -					
Salaries	1,047,886	981,804	1,008,955	(27,151)	1,005,273
Retirement	55,551	104,005	106,438	(2,433)	66,087
Group insurance	160,195	161,764	151,309	10,455	136,499
Payroll taxes	82,490	75,086	76,346	(1,260)	73,181
Workman's comp	30,878	55,770	58,637	(2,867)	49,610
Insurance	193,596	140,982	141,865	(883)	131,733

(continued)

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Budget		Actual	Variance with Final Budget	2021 Actual
	Original	Final		Positive (Negative)	
Public safety (continued) -					
Computer maintenance	5,000	-	-	-	-
Claim Payments	-	37,611	41,367	(3,756)	56,316
Supplies	12,800	27,358	21,373	5,985	27,720
Telephone	27,000	38,144	50,087	(11,943)	42,660
Advertising	500	-	-	-	-
Dues and subscriptions	650	408	1,516	(1,108)	2,385
Legal and professional fees	-	-	-	-	26,027
Training	2,000	600	800	(200)	6,527
Prisoner	1,000	-	-	-	32
Travel and conferences	500	1,854	1,755	99	-
Fuel	37,500	65,546	64,057	1,489	40,915
Repairs and maintenance	22,600	57,954	63,385	(5,431)	50,147
Drug testing	3,500	5,149	6,053	(904)	1,439
Equipment	5,000	-	-	-	2,278
Uniforms	5,000	3,814	6,786	(2,972)	7,076
Miscellaneous	7,616	7,549	11,160	(3,611)	8,210
Total public safety	<u>1,701,262</u>	<u>1,765,398</u>	<u>1,811,889</u>	<u>(46,491)</u>	<u>1,734,115</u>
Public works -					
Salaries	362,889	460,882	450,075	10,807	591,991
Retirement	54,239	60,097	57,717	2,380	77,599
Group insurance	46,484	74,454	69,239	5,215	103,802
Workman's comp	23,484	51,937	56,088	(4,151)	80,745
Payroll taxes	28,487	34,084	33,805	279	25,887
Contract labor	103,000	51,610	50,058	1,552	17,342
Claim payments	-	-	1,029	(1,029)	7,141
Insurance	66,537	67,464	73,457	(5,993)	63,116
Supplies	33,100	8,903	23,820	(14,917)	23,919
Hurricane expenses	-	27,308	22,757	4,551	-
Legal and professional fees	20,000	199	4,004	(3,805)	8,717
Telephone and postage	7,478	12,188	12,577	(389)	15,200
Auto	30,000	41,972	37,417	4,555	35,004
Repairs and maintenance	41,000	34,294	37,604	(3,310)	90,487
Street repairs and maintenance	21,600	7,925	6,604	1,321	30,397
Miscellaneous	6,414	1,294	3,934	(2,640)	3,653
Dog pound	14,500	14,500	14,220	280	14,208
Waste collection	497,784	485,699	479,509	6,190	497,562
Drug testing	-	35	-	-	-
Uniforms	1,500	180	881	(701)	2,177
Total public works	<u>1,358,496</u>	<u>1,435,025</u>	<u>1,434,795</u>	<u>195</u>	<u>1,688,947</u>

(continued)

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Budget		Actual	Variance with Final Budget Positive (Negative)	2021 Actual
	Original	Final			
Recreation -					
Salaries	139,350	51,137	69,020	(17,883)	68,050
Retirement	3,499	2,874	2,968	(94)	1,599
Group insurance	-	556	463	93	3,336
Payroll taxes	7,000	3,931	4,858	(927)	5,144
Insurance	27,419	27,265	27,485	(220)	25,335
Workman's comp	3,456	3,359	4,136	(777)	22,380
Contract labor	-	-	-	-	(53)
Supplies	10,490	11,540	15,639	(4,099)	11,558
Legal and professional fees	3,425	1,133	944	189	4,153
Fuel	530	1,633	1,805	(172)	442
Utilities	14,841	196	6,740	(6,544)	20,802
Repairs and maintenance	3,216	19,110	16,918	2,192	4,241
Garbage collection	-	16,049	14,013	2,036	-
Uniforms	-	-	1,638	(1,638)	-
Travel	-	1,397	275	1,122	1,025
Drug testing	-	403	-	403	1,025
Telephone	-	5,797	-	5,797	1,025
Miscellaneous	2,231	223	6,125	(5,902)	214
Total recreation	<u>215,457</u>	<u>146,603</u>	<u>173,027</u>	<u>(26,424)</u>	<u>170,276</u>
Tourism -					
Salaries	-	4,321	8,476	(4,155)	-
Group insurance	-	-	-	-	1,436
Payroll taxes	-	338	566	(228)	-
Workman's comp	-	43	75	(32)	-
Supplies	50	-	92	(92)	511
Repairs and maintenance	2,471	10,578	14,029	(3,451)	1,958
Utilities and telephone	6,200	7,865	7,845	20	8,628
Miscellaneous	-	31,552	32,427	(875)	1,869
Legal and professional	-	-	563	(563)	792
Total tourism	<u>8,721</u>	<u>54,697</u>	<u>64,073</u>	<u>(9,376)</u>	<u>15,194</u>
Capital outlay	<u>268,000</u>	<u>182,192</u>	<u>45,614</u>	<u>136,578</u>	<u>108,909</u>
Debt service:					
Principal retirement	85,702	69,243	83,225	(13,982)	73,988
Interest	15,196	12,199	14,970	(2,771)	17,153
Total debt service	<u>100,898</u>	<u>81,442</u>	<u>98,195</u>	<u>(16,753)</u>	<u>91,141</u>
Total expenditures	<u>\$ 4,555,362</u>	<u>\$ 4,742,010</u>	<u>\$ 4,567,169</u>	<u>\$ 174,806</u>	<u>\$ 4,850,134</u>

CITY OF ST. MARTINVILLE, LOUISIANA
Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance with Final Budget Positive (Negative)	2021 Actual
	Budget	Actual		
Revenues:				
Intergovernmental -				
Federal grants	\$ 72,912	\$ -	\$ (72,912)	\$ -
Miscellaneous	<u>384</u>	<u>17,637</u>	<u>17,253</u>	<u>667</u>
Total revenues	<u>73,296</u>	<u>17,637</u>	<u>(55,659)</u>	<u>667</u>
Expenditures:				
General government -				
Miscellaneous	<u>104</u>	<u>-</u>	<u>104</u>	<u>-</u>
Capital outlay -				
Recreation	152,251	-	152,251	117,776
Sewer improvements	-	226,217	(226,217)	-
Streets and drainage	<u>72,912</u>	<u>-</u>	<u>72,912</u>	<u>-</u>
Total capital outlay	<u>225,163</u>	<u>226,217</u>	<u>(1,054)</u>	<u>117,776</u>
Total expenditures	<u>225,267</u>	<u>226,217</u>	<u>(950)</u>	<u>117,776</u>
Net change in fund balance	(151,971)	(208,580)	(56,609)	(117,109)
Fund balance, beginning	<u>833,133</u>	<u>833,133</u>	<u>-</u>	<u>950,242</u>
Fund balance, ending	<u>\$ 681,162</u>	<u>\$ 624,553</u>	<u>\$ (56,609)</u>	<u>\$ 833,133</u>

**NON MAJOR GOVERNMENTAL
FUND DESCRIPTIONS**

SECTION 8 FUND

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

DEBT SERVICE FUND

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

CITY OF ST. MARTINVILLE, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2022

	Section 8 Fund	2008 Debt Service Fund	Total
ASSETS			
Cash	\$ 57,615	\$ 119,391	\$ 177,006
Due from other governmental units	-	241	241
Due from other funds	3,336	88,368	91,704
 Total assets	 \$ 60,951	 \$ 208,000	 \$ 268,951
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 241	\$ 60	\$ 301
Accrued expenses	1,272	-	1,272
Due to other funds	11,786	157,174	168,960
Unearned Revenue	14,050	-	14,050
Total liabilities	27,349	157,234	184,583
 Fund balances:			
Restricted	33,602	50,766	84,368
 Total liabilities and fund balances	 \$ 60,951	 \$ 208,000	 \$ 268,951

CITY OF ST. MARTINVILLE, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
For the Year Ended June 30, 2022

	Section 8 Fund	2008 Debt Service Fund	Total
Revenues:			
Ad valorem taxes	\$ -	\$ 106,926	\$ 106,926
Federal grants	386,731	-	386,731
Miscellaneous	<u>28</u>	<u>49</u>	<u>77</u>
 Total revenues	 <u>386,759</u>	 <u>106,975</u>	 <u>493,734</u>
 Expenditures:			
Current -			
General government	-	736	736
Urban redevelopment and housing	377,866	-	377,866
Debt service	<u>-</u>	<u>423,654</u>	<u>423,654</u>
 Total expenditures	 <u>377,866</u>	 <u>424,390</u>	 <u>802,256</u>
 Deficiency of revenues over expenditures	 8,893	 (317,415)	 (308,522)
 Other financing sources:			
Issuance of debt	-	250,000	250,000
Transfers in	<u>-</u>	<u>67,415</u>	<u>67,415</u>
Total other financing sources	<u>-</u>	<u>317,415</u>	<u>317,415</u>
 Net changes in fund balances	 8,893	 -	 8,893
 Fund balances, beginning	 <u>24,709</u>	 <u>50,766</u>	 <u>75,475</u>
 Fund balances, ending	 <u>\$ 33,602</u>	 <u>\$ 50,766</u>	 <u>\$ 84,368</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Comparative Statement of Net Position
Enterprise Fund
June 30, 2022 and 2021

	Utility Fund	
	2022	2021
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 205,744	\$ 285,224
Investments	119,272	45,045
Receivables:		
Accounts	1,056,643	919,913
Accrued interest	-	867
Other	414,487	273,237
Due from other funds	539,883	148,684
Inventory	138,547	208,981
Prepaid items	26,775	12,942
Deposits	12,000	12,000
Total current assets	<u>2,513,351</u>	<u>1,906,893</u>
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing deposits	80,922	372,044
Investments	283,980	-
Capital assets -		
Land and construction in progress	1,213,846	582,770
Other capital assets, net of accumulated depreciation	<u>8,062,127</u>	<u>8,417,154</u>
Total noncurrent assets	<u>9,640,875</u>	<u>9,371,968</u>
Total assets	<u>12,154,226</u>	<u>11,278,861</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	155,928	197,724
Deferred outflows related to postemployment benefits	<u>2,074</u>	<u>2,820</u>
Total deferred outflows of resources	<u>158,002</u>	<u>200,544</u>
LIABILITIES		
Current liabilities:		
Accounts, salaries, and other payables	988,834	1,195,346
Compensated absences	1,497	23,971
Due to other funds	1,183,318	883,247
Note payable	17,477	17,715
Customer deposits	<u>364,902</u>	<u>372,044</u>
Total current liabilities	<u>2,556,028</u>	<u>2,492,323</u>
Noncurrent liabilities:		
Compensated absences	22,762	20,351
Note payable	45,445	64,046
Net pension liability	419,823	603,136
Postemployment benefit obligation payable	<u>64,009</u>	<u>83,462</u>
Total noncurrent liabilities	<u>552,039</u>	<u>770,995</u>
Total liabilities	<u>3,108,067</u>	<u>3,263,318</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	130,778	28,819
Deferred inflows related to postemployment benefits	<u>32,628</u>	<u>-</u>
	<u>163,406</u>	<u>28,819</u>
NET POSITION		
Net investment in capital assets	8,901,718	8,916,625
Unrestricted	<u>139,037</u>	<u>(729,357)</u>
Total net position	<u>\$ 9,040,755</u>	<u>\$ 8,187,268</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
 Enterprise Fund
 For the Years Ended June 30, 2022 and 2021

	Utility Fund	
	2022	2021
Operating revenues:		
Charges for services -		
Electric	\$ 4,735,451	\$ 4,344,307
Water	707,589	584,957
Wastewater	676,796	541,410
Permits, reconnections and penalties	149,785	141,763
Total operating revenues	<u>6,269,621</u>	<u>5,612,437</u>
Operating expenses:		
Electric	3,637,839	3,823,727
Water	570,146	684,117
Wastewater	965,180	914,088
Total operating expenses	<u>5,173,164</u>	<u>5,421,932</u>
Operating income	<u>1,096,457</u>	<u>190,505</u>
Nonoperating revenues (expenses):		
Investment income	(20,824)	2,026
Interest expense	(3,663)	-
Federal grant revenue	-	155,239
Nonemployer contribution revenue	18,112	18,508
Total nonoperating revenues (expenses)	<u>(6,375)</u>	<u>175,773</u>
Income before capital contributions and transfers	1,090,082	366,278
Capital Contributions	561,401	29,213
Transfers out	<u>(914,950)</u>	<u>(1,500,000)</u>
Change in net position	736,533	(1,104,509)
Net position, beginning as restated	<u>8,304,222</u>	<u>9,465,261</u>
Net position, ending	<u>\$ 9,040,755</u>	<u>\$ 8,360,752</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Enterprise Fund

Utility Fund

Comparative Departmental Statement of Revenues and Expenses
For the Year Ended June 30, 2022 and 2021

	Totals		Electric		Water		Wastewater		Administrative	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Operating revenues:										
Customers service charges	\$ 6,119,836	\$ 5,470,674	\$ 4,735,451	\$ 4,344,307	\$707,589	\$584,957	\$ 676,796	\$ 541,410	\$ -	\$ -
Permits, reconnections and penalties	149,785	141,763	149,785	141,489	-	274	-	-	-	-
Total operating revenues	<u>6,269,621</u>	<u>5,612,437</u>	<u>4,885,236</u>	<u>4,485,796</u>	<u>707,589</u>	<u>585,231</u>	<u>676,796</u>	<u>541,410</u>	<u>-</u>	<u>-</u>
Operating expenses:										
Salaries	686,602	855,275	150,321	299,236	110,671	150,299	311,389	269,214	114,221	136,526
Retirement	72,173	104,169	11,683	39,215	13,655	14,372	31,423	27,122	15,412	23,460
Payroll taxes	53,237	75,943	11,665	24,162	9,185	17,277	22,838	24,964	9,549	9,540
Group insurance	140,189	104,857	25,741	31,123	27,011	25,556	62,949	23,456	24,488	24,722
Worker's comp	41,451	29,366	6,133	9,539	9,787	9,803	25,055	9,144	476	880
Power purchased	2,771,703	2,708,658	2,771,703	2,708,658	-	-	-	-	-	-
State mandated water fee	39,306	38,616	-	-	39,306	38,616	-	-	-	-
Maintenance and supplies	294,370	336,176	100,709	188,349	83,544	56,579	87,914	90,047	22,203	1,201
Chemicals	63,768	57,210	-	-	25,352	24,161	38,416	33,049	-	-
Fuel	52,365	42,448	21,558	17,366	18,642	11,310	12,165	13,772	-	-
Depreciation expense	355,027	352,362	27,832	29,426	86,180	87,978	241,015	234,958	-	-
Utilities	90,736	82,972	5,409	3,738	65,580	65,817	19,747	13,417	-	-
Telephone	30,520	76,778	2,269	2,058	1,792	43,962	2,830	6,614	23,629	24,144
Truck operation	15,038	31,003	12,414	16,210	66	6,202	2,558	8,591	-	-
Office supplies and postage	8,158	14,641	-	-	-	-	-	-	8,158	14,641
Bad debts	40,235	20,415	-	-	-	-	-	-	40,235	20,415
Insurance	127,001	128,445	49,302	47,198	34,810	35,411	11,673	4,312	31,216	41,524
Miscellaneous	3,728	6,308	1,067	1,642	-	153	654	3,424	2,007	1,089
Professional fees	118,060	236,788	4,131	300	4,361	39,391	53,214	92,380	56,354	104,717
Uniforms	2,191	1,584	1,832	371	(27)	871	386	325	-	17
Travel	2,200	669	2,200	-	-	411	-	258	-	-
Contractual services	165,106	117,249	162,632	85,209	-	12,870	2,474	19,170	-	-
Allocation of general and administrative expense	-	-	269,238	319,927	39,988	43,078	37,080	39,871	(347,948)	(402,876)
Total operating expenses	<u>5,173,164</u>	<u>5,421,932</u>	<u>3,637,839</u>	<u>3,823,727</u>	<u>569,903</u>	<u>684,117</u>	<u>963,780</u>	<u>914,088</u>	<u>-</u>	<u>-</u>
Net operating income (loss)	<u>\$ 1,096,457</u>	<u>\$ 190,505</u>	<u>\$ 1,247,397</u>	<u>\$ 662,069</u>	<u>\$137,686</u>	<u>\$ (98,886)</u>	<u>\$(286,984)</u>	<u>\$(372,678)</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ST MARTINVILLE, LOUISIANA

Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session

	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>6/30/2022</u>
Beginning Balance of Amounts Collected	\$ 2,612	\$ 4,512
Add: Collections -		
Criminal Fines - Other	<u>22,729</u>	<u>46,851</u>
Less: Disbursements to Governments and Nonprofits -		
Louisiana Commission on Law Enforcement/Criminal Fines - Other	251	336
Louisiana State Treasurer CMIS/Criminal Fines - Other	276	618
Acadiana Criminalistics Lab/Criminal Fines - Other	2,420	7,200
St Martin Crime Stoppers/Criminal Fines - Other	184	412
LA Association of Chiefs of Police/Criminal Fines - Other	184	540
16th Judicial District Public Defender/Criminal Fines - Other	3,220	7,210
St Martin Parish Coroner/Criminal Fines - Other	920	2,060
LA Dept of Health & Hospitals THI/SCI/Criminal Fines - Other	220	480
Louisiana Supreme Court/Criminal Fines - Other	46	103
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	13,108	29,286
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	<u>-</u>	<u>-</u>
Subtotal Disbursements/Retainage	<u>20,829</u>	<u>48,245</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 4,512</u>	<u>\$ 3,118</u>

CITY OF ST. MARTINVILLE, LOUISIANA

LCDBG Sewer System Improvement Project
Schedule of Net Position

June 30, 2022

Assets:	
Grants receivable	\$ 301,208
Liabilities:	
Contracts payable	273,862
Retainage payable	<u>27,346</u>
Total liabilities	<u>301,208</u>
Net Position	<u>\$ -</u>

CITY OF ST. MARTINVILLE, LOUISIANA

LCDBG Sewer System Improvement Project
Schedule of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022

Revenues - LCDBG program	<u>\$ 517,715</u>
Expenses- Construction	<u>517,715</u>
Change in net position	-
Net position, beginning of year	<u>-</u>
Net position, end of year	<u>\$ -</u>

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

KOLDER, SLAVEN & COMPANY, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Martinville, Louisiana (City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of St. Martinville's basic financial statements and have issued our report thereon dated January 26, 2023.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified items 2022-001 through 2022-007 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of St. Martinville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2022-008 through 2022-010.

City of St. Martinville's Response to Findings

The City of St. Martinville's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of St. Martinville'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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 26, 2023

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of St. Martinville's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of St. Martinville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of St. Martinville and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of St. Martinville's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we exercise professional judgment and maintain professional skepticism throughout the audit. We identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances. We obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 26, 2023

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Name	Federal CFDA Number	Pass-through Identifying Number	Federal Expenditures
Direct Programs:			
United States Department of Treasury COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 1,877,144
United States Department of Housing and Urban Development- Section 8 Housing Choice Vouchers	14.871	N/A	<u>377,685</u>
Total direct programs			<u>2,254,829</u>
Indirect Programs:			
United States Department of Housing and Urban Development - Passed through Louisiana Division of Administration Community Development Block Grant	14.228	N/A	517,715
Passed through Housing Authority of the City of Lafayette Section 8 Housing Choice Vouchers	14.871	N/A	4,594
Passed through Housing Authority of the City of Monroe Section 8 Housing Choice Vouchers	14.871	N/A	1,484
United States Department of Homeland Security/Governor's Office of Homeland Security and Emergency Preparedness Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	<u>190,903</u>
Total indirect programs			<u>714,696</u>
Total Federal Awards			<u>\$ 2,969,525</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of City of St. Martinville (City) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported in accordance with accounting principles generally accepted in the United States of America as applied to governmental units, which is described in Note 1 to the City's basic financial statements for the year ended June 30, 2022. Such expenditures are recognized following the cost principle contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Outstanding Loans

The City has an outstanding loan balance under the Clean Water State Revolving funds in the amount of \$758,013.

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City were prepared in accordance with GAAP.
2. There were no significant deficiencies in internal control disclosed during the audit of the financial statements. There were seven material weaknesses reported.
3. There were three instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, disclosed during the audit.
4. There were no significant deficiencies in internal control over the major federal program disclosed during the audit. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award program for the City expresses an unmodified opinion on the major federal program.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) reported on this schedule.
7. The following program is considered to be a major program: COVID-19 Coronavirus State and Local Fiscal Recovery Funds (21.027).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The City was determined to not be a low-risk auditee.

Part II Findings which are required to be reported in accordance with generally accepted *Governmental Auditing Standards*:

A. Internal Control Findings -

2022-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

Criteria

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

Condition

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

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Cause

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

Effect

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

Recommendation

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

Management's Corrective Action Plan

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

2022-002 Inadequate Controls Over Reconciling Accounts

Fiscal year finding initially occurred: 2019

Criteria

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

Condition

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

Cause

Due to the lack of policies and procedures, monthly reconciliations of general ledger accounts are not being performed.

Effect

The general ledger required numerous adjusting journal entries in order to correct account balances. Management is unable to produce accurate monthly financial statements including budget-to-actual schedules.

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Recommendation

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

Management's Corrective Action Plan

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

2022-003 Inadequate Controls Over Customer Utility Deposits

Fiscal year finding initially occurred: 2019

Criteria

The City should have a control policy to properly monitor the collection of customer utility deposits.

Condition

The City does not have controls in place over the collection of customer utility deposits.

Cause

The City's policies and procedures related to the balancing of the teller daily cash does not include the collection of customer utility deposits.

Effect

The City is unable to determine the completeness of customer utility deposits.

Recommendation

The collection of customer utility deposits should be handled in the same manner as customer utility payments. The collections should be recorded in the subsidiary ledger upon receipt and reports should be generated at the end of the day to reconcile to total cash on hand.

Management's Corrective Action Plan

The City has revised their policies and procedures during the fiscal year to include the teller recording the customer utility deposits on the subsidiary ledger. Reports are generated and incorporated in the balancing of the teller cash daily.

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

2022-004 Inadequate Controls Over Inventory

Fiscal year finding initially occurred: 2018

Criteria

The City should have a control policy in place to properly account for their inventory.

Condition

The City does not have adequate controls in place to account for received and requisitioned goods.

Cause

The City's policies and procedures do not properly address controls over their inventory processes.

Effect

The City's employees have unrestricted access to inventory items and documentation is not being properly utilized to receive or requisition goods.

Recommendation

Management should restrict access to designated warehouse personnel and establish proper controls relative to receiving and checking out inventory.

Management's Corrective Action Plan

Management will revise their policies and procedures to ensure inventory access is restricted to authorized personnel. Procedures will be implemented to ensure proper documentation is being utilized to receive and requisition inventory items.

2022-005 Inadequate Controls Over Capital Assets

Fiscal year finding initially occurred: 2019

Criteria

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

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Condition

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

Cause

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

Effect

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

Recommendation

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

Management's Corrective Action Plan

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

2022-006 Inadequate Controls Over Bank Reconciliations

Fiscal year finding initially occurred: 2019

Criteria

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

Condition

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

Cause

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

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Effect

The City's bank reconciliations were completed in excess of 60 days of the related statement closing date. The City's bank reconciliations included duplicate checks and deposits as outstanding items.

Recommendation

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

Management's Corrective Action Plan

Management will ensure all activity is properly recorded on the general ledger and bank reconciliations will be completed within the prescribed timeframe.

2022-007 Controls over Traffic Tickets

Fiscal year finding initially occurred: 2021

Criteria

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

Condition

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

Cause

There were no procedures in place for compliance with Louisiana Revised Statutes applicable to ticket administration.

Effect

Fines from ticket revenues may not be properly accounted for and compliance with laws and regulations may be violated.

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Recommendation

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

Management's Corrective Action Plan

Accounting for tickets will be implemented as required by LRS 32:398.

B. Compliance Findings -

2022-008 Improper Disposal of Surplus Property

Fiscal year finding initially occurred: 2022

Criteria

In accordance with R.S. 49:125, R.S. 33:4711.1, and R.S. 33:34712(F), the City may dispose of surplus movable property at a public auction, through an internet computer auction, or a public sale if the property to be sold is appraised at less than \$5,000, respectively.

Condition

The City disposed of a surplus vehicle by trading the vehicle into a dealership.

Cause

The City's management did not adhere to state laws relative to the disposal of surplus movable property.

Effect

The City's management may have violated state law by not adhering to Louisiana Revised Statutes and Attorney General Opinion 12-0150.

Recommendation

Management should carefully review state laws relative to the disposal of movable surplus property to ensure dispositions are in compliance with Louisiana Revised Statutes.

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Management's Corrective Action Plan

Management will follow LRS:49:125, through an internet computer auction pursuant to LRS 33:4711.1, or at a public sale under LRS 33:34712(F) if the property to be sold is appraised at less than \$5,000, to not violate state laws.

2022-009 Noncompliance with Louisiana Community Development Block Grant (LCDBG) Grantee Handbook Guidelines

Fiscal year finding initially occurred: 2022

Criteria

In accordance with the LCDBG Grantee Handbook guidelines, the City should (a) disburse payments for expenses within three working days of the receipt of LCDBG funds, (b) payroll information submitted for a subcontractors should have a box checked for the payment of fringes when fringes were actually paid to the subcontractors, and (c) the Qualification Certification and resume for inspection services should be provided to the LCDBG office prior to the commencement of construction.

Condition

The Louisiana Office of Community Development conducted a monitoring of their FY 2020 LCDBG Public Facilities Program and determined that the City did not comply with the LCDBG Grantee Handbook guidelines by (a) disbursing payments for expenses after three working days of receipt of LCDBG funds, (b) submitting inadequate payroll information on subcontractors for the payment of fringes, and (c) failing to provide the Qualification Certification and resume for inspection services prior to construction.

Cause

The City's management did not properly follow the LCDBG Grantee Handbook guidelines.

Effect

The City's management did not comply with the guidelines of the LCDBG Grantee Handbook and the grant agreement.

Recommendation

Management should carefully review their grant agreements and any required guidelines issued by grantor agencies to ensure compliance with their grant agreements.

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Management's Corrective Action Plan

Management has provided the following responses to the findings noted during the monitoring of the FY 2020 LCDBG Public Facilities Program: (a) the disbursement of expenses with three business days of receipt of LCGBG Funds did not occur due to an administrative error and the City will disburse all program funds in accordance with program requirements for the remainder of this program and under any future LCDBG program, (b) the inadequate payroll information was corrected and resubmitted to the LCDBG office, and (c) the approved Qualification Certification for the Resident Project Representative was resubmitted to the LCDGB office. Management received notice from the LCGBG office on September 27, 2022 stating that the City's responses to the findings noted were received and all findings were cleared.

2022-010 Failure to File Audited Financial Statements Timely

Fiscal year finding initially occurred: 2022

Criteria

In accordance with Louisiana Revised Statute 24:513, the Organization must complete and submit an audit of their financial statements within six months of the close of their fiscal year to the Legislative Auditor's office.

Condition

The City's annual audited financial statements were not filed timely for the fiscal year ended June 30, 2022.

Cause

The City's management did not take the appropriate actions to ensure its annual financial statement audit was completed within six months of the close of their fiscal year.

Effect

The City did not comply with Louisiana Revised Statute 24.513.

Recommendation

The City should take necessary actions to ensure their annual financial statement audit is completed and submitted within six months of the close of their fiscal year.

Management's Corrective Action Plan

The City will take the appropriate actions to ensure that the financial statement audit is completed and submitted within the prescribed deadline.

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

C. Management Letter –

A management letter was issued related to operating losses experienced in the City's Wastewater Department for the fiscal year ended June 30, 2022.

Part III Findings and questioned costs for the Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance

A. Internal Control Findings -

There were no findings reported under this section.

B. Compliance Findings -

There were no findings reported under this section.

The City of St. Martinville

P.O. Box 379/120 New Market St., St. Martinville, LA 70582 * (337)394-2230 - 394-2244 fax

MAYOR
JASON B. WILLIS
EXECUTIVE ASSISTANT
MAYOR/ COUNCIL
LORRIE M POIRIER
CHIEF OPERATING OFFICER
KIMYA CRUZ
CHIEF FINANCIAL OFFICER
AVIS GUTEKUNST, CPA, CGMA



CITY-COUNCIL
MIKE FUSELIER
CAROL FREDERICK
JONAS FONTENETTE, MAYOR PRO TEM
JANISE ANTHONY
FLO CHATMAN

U.S Department of Treasury

The City of St. Martinville, Louisiana respectfully submits the following corrective action plan for the year ended June 30, 2022.

Audit conducted by:
Kolder, Slaven & Company, LLC
183 S. Beadle Road
Lafayette, Louisiana 70508

Audit Period: July 1, 2021 – June 30, 2022

The findings from the June 30, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS - FINANCIAL STATEMENT AUDIT:

Material Weakness-

Internal Control:

2022-001 Inadequate Segregation of Accounting Functions

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

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

2022-002 Inadequate Controls Over Reconciling Accounts

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

Corrective Action Plan: The City will review its policies and procedures and ensure that general ledger accounts are being reconciled to appropriate supporting documentation. The City will produce accurate monthly financial statements and budget to actual schedules in order to effectively monitor the City's activities.

"BIRTH PLACE OF ACADIANA"

The City of St. Martinville

*P.O. Box 379/120 New Market St., St. Martinville, LA 70582 * (337)394-2230 - 394-2244 fax*

2022-003 Inadequate Controls Over Customer Utility Deposits

Recommendation: The collection of customer utility deposits should be handled in the same manner as customer utility payments. The collections should be recorded in the subsidiary ledger upon receipt and reports should be generated at the end of the day to reconcile to total cash on hand.

Corrective Action Plan: The City has revised their policies and procedures during the fiscal year to include the teller recording the customer utility deposits on the subsidiary ledger. Reports are generated and incorporated in the balancing of the teller cash daily.

2022-004 Inadequate Controls Over Inventory

Recommendation: Management should restrict access to designated warehouse personnel and establish proper controls relative to receiving and checking out inventory.

Corrective Action Plan: Management will revise their policies and procedures to ensure inventory access is restricted to authorized personnel. Procedures will be implemented to ensure proper documentation is being utilized to receive and requisition inventory items.

2022-005 Inadequate Controls Over Capital Assets

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

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

2022-006 Inadequate Controls Over Bank Reconciliations

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

Corrective Action Plan: Management will ensure all activity is properly recorded on the general ledger and bank reconciliations will be completed within the prescribed timeframe.

2022-007 Controls over Traffic Tickets

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

Corrective Action Plan: Accounting for tickets will be implemented as required by LRS 32:398.

Compliance:

2022-008 Improper Disposal of Surplus Property

Recommendation: Management should carefully review state laws relative to the disposal of movable surplus

"BIRTH PLACE OF ACADIANA"

The City of St. Martinville

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property to ensure dispositions are in compliance with Louisiana Revised Statutes.

Corrective Action Plan: Management will follow LRS:49:125, through an internet computer auction pursuant to LRS 33:4711.1, or at a public sale under LRS 33:34712(F) if the property to be sold is appraised at less than \$5,000, to not violate state laws.

2022-009 Noncompliance with Louisiana Community Development Block Grant (LCDBG) Grantee Handbook Guidelines

Recommendation: Management should carefully review their grant agreements and any required guidelines issued by grantor agencies to ensure compliance with their grant agreements.

Corrective Action Plan: Management has provided the following responses to the findings noted during the monitoring of the FY 2020 LCDBG Public Facilities Program: (a) the disbursement of expenses with three business days of receipt of LCDBG Funds did not occur due to an administrative error and the City will disburse all program funds in accordance with program requirements for the remainder of this program and under any future LCDBG program, (b) the inadequate payroll information was corrected and resubmitted to the LCDBG office, and (c) the approved Qualification Certification for the Resident Project Representative was resubmitted to the LCDBG office. Management received notice from the LCDBG office on September 27, 2022 stating that the City's responses to the findings noted were received and all findings were cleared.

2022-010 Failure to File Audited Financial Statements Timely

Recommendation: The City should take necessary actions to ensure their annual financial statement audit is completed and submitted within six months of the close of their fiscal year.

Corrective Action Plan: The City will take the appropriate actions to ensure that the financial statement audit is completed and submitted within the prescribed deadline.

The findings noted above will be evaluated and corrective action will be taken by June 30, 2023 if considered necessary. Should any federal or state pass-through grant agencies have questions regarding this plan, please contact Jason Willis, Mayor, at 337-394-2230

Sincerely,



Jason Willis
Mayor

"BIRTH PLACE OF ACADIANA"

The City of St. Martinville

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FLO CHATMAN

CITY OF ST MARTINVILLE, LOUISIANA Schedule of Prior Year Audit Findings For the Year Ended June 30, 2022

FINDINGS- FINANCIAL STATEMENT AUDIT:

Internal Control Findings -

2021-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2022-001.

2021-002 Inadequate Controls Over Reconciling Accounts

Fiscal year finding initially occurred: 2019

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2022-002.

"BIRTH PLACE OF ACADIANA"

The City of St. Martinville

P.O. Box 379/120 New Market St., St. Martinville, LA 70582 * (337)394-2230 - 394-2244 fax

2021-003 Inadequate Controls Over Utility Fees

Fiscal year finding initially occurred: 2019

Condition

The City does not have procedures in place to ensure that penalties and late fees are added to customer accounts when the account become delinquent. Additionally, management is not consistently following the City's policy relative to the date accounts should be disconnected.

Recommendation

The City should establish internal controls and computer automation over customer accounts to ensure the appropriate fees are being charged on delinquent accounts.

Current Status

Resolved.

2021-004 Inadequate Controls Over Customer Utility Deposits

Fiscal year finding initially occurred: 2019

Condition

The City does not have controls in place over the collection of customer utility deposits.

Recommendation

The collection of customer utility deposits should be handled in the same manner as customer utility payments. The collections should be recorded in the subsidiary ledger upon receipt and reports should be generated at the end of the day to reconcile to total cash on hand.

Current Status

Unresolved. See Finding 2022-003.

2021-005 Inadequate Controls Over Inventory

Fiscal year finding initially occurred: 2018

Condition

The City does not have adequate controls in place to account for received and requisitioned goods.

Recommendation

Management should restrict access to designated warehouse personnel and establish proper controls relative to receiving and checking out inventory.

Current Status

Unresolved. See Finding 2022-004.

The City of St. Martinville

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2021-006 Inadequate Controls Over Capital Assets

Fiscal year finding initially occurred: 2019

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2022-005.

2021-007 Inadequate Controls Over Bank Reconciliations

Fiscal year finding initially occurred: 2019

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2022-006.

2021-008 Inadequate Controls Over the Collection of Fines

Fiscal year finding initially occurred: 2019

Condition

The City did not have procedures in place to properly account for the collection of ticket fines.

Recommendation

The City should revise their policies and procedures to require daily reconciliations and deposits of fine collections and subsidiary reports should be reconciled to the amounts recorded on their general ledger.

Current Status

Resolved.

The City of St. Martinville

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2021-009 Inadequate Controls Over Timesheets

Fiscal year finding initially occurred: 2019

Condition

The City did not have a control policy to ensure adequate documentation is being maintained to substantiate the hours worked by each employee or verifying timesheets are signed by the appropriate personnel.

Recommendation

The City should have their employees sign their manual timesheets prior to submitting to their supervisor for approval. Additionally, employees utilizing the electronic timeclock should electronically approve their timesheet at the end of each pay period even though a personalized pin is used to enter their daily time.

Current Status

Resolved.

2021-010 Ticket Fine Fees Payable

Fiscal year finding initially occurred: 2020

Condition

The City failed to remit the fees included in the fine tickets in accordance with various state statutes.

Recommendation

The City should submit the required fees to the appropriate organization in a timely manner.

Current Status

Resolved.

2021-011 Control over Traffic Tickets

Fiscal year finding initially occurred: 2021

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2022-007.

The City of St. Martinville

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Compliance Findings -

2021-012 Compliance with Bond Covenants

Fiscal year finding initially occurred: 2020

Condition

The City did not comply with the cash reserve requirement for their Sales Tax Bonds, Series 2015.

Recommendation

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

Current Status

Resolved.

2021-013 Inadequate Controls Over Utility Fees

See Internal Control Finding 2021-003.

2021-014 Compliance with Recreation Bond Fund

Fiscal year finding initially occurred: 2021

Condition

The City did not utilize their recreation bond proceeds in accordance with the purpose on the bond issue.

Recommendation

The City should be aware of all cash restrictions and not utilize restricted funds for expenditures other than its intended purpose.

Current Status

Resolved.

Sincerely,



Jason Willis
Mayor

"BIRTH PLACE OF ACADIANA"

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Arthur R. Mixon, CPA*
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Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022

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WWW.KCSRCPAS.COM

MANAGEMENT LETTER

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

We have completed our audit of the basic financial statements of the City of St. Martinville, Louisiana for the year ended June 30, 2022, we submit the following recommendation for your consideration:

- (1) The City of St. Martinville's Utility Fund experienced an operating loss in their Wastewater Department in the amount of \$286,984 for the fiscal year ended June 30, 2022. The City of St. Martinville should consider increasing wastewater rates and/or decreasing expenses within this department to operate on a profitable basis.

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 26, 2023

City of St. Martinville
St. Martinville, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2022

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The City of St. Martinville
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The City of St. Martinville's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **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).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) Obtain the prior year audit report and observe the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the 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 each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

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

Collections (excluding electronic fund transfers)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - 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.
 - 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.
 - 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.
- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- 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:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/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).
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:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
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) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management

had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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:
 - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe 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).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

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

- b) Observe whether supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

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

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

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discussed the results with management, and reported “We performed the procedure and discussed the results with management.”**

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

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #15 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Exceptions:

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

Written Policies and Procedures

1. The entity's written policies and procedures do not address the following: (a) Purchasing – how vendors are added to the vendor list and how purchases are initiated; (b) Disbursements – processing, reviewing, and preparing deposits; (c) Receipts – management's actions to determine the completeness of all collections for each type of revenue or agency fund additions; (d) Payroll – the approval process for employees rate of pay or pay rate schedules; (e) Credit Cards – required approvers of statements and monitoring card usage; (f) Ethics – a system to monitor possible ethics violations and the requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy; (g) Information Technology – identification of critical data and frequency of backups in a separate physical location isolated from the network, periodic testing/ verification that backups can be restored, use of antivirus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event; (h) Sexual Harassment –annual reporting.

Board

2. The entity's board minutes did not reference or include budget-to-actual comparisons on the General fund, proprietary fund, or special revenue funds during the fiscal year.

Bank Reconciliations

3. The bank reconciliations selected for testing did not include the date prepared; therefore, it could not be determined whether the reconciliations were prepared within 2 months.
4. The bank reconciliations did not have evidence of review by a member of management/board member that does not handle cash, post ledgers, or issue checks.

Collections

5. The entity has improper segregation of duties at the utility cashier's collection location due to employees that are responsible for collecting cash are also responsible for posting collection entries to the general ledger or subsidiary ledger, and no separate employee is responsible for reconciling ledger postings to each other and to the deposit.
6. There were 3 out of the 7 deposit dates selected for testing that contain receipts that were not deposited within 1 business day of collection.

Disbursements

7. The entity does not have at least two employees involved in the processing and approving payments to vendors, the employee responsible for processing payments is not prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files, and the employee responsible for signing checks mails the payment or give the signed checks to an employee to mail who is not responsible for processing payments. One of the five disbursements selected for testing did not indicate whether deliverables were received by the entity.

Credit Cards

8. The five credit cards selected for testing did not reflect that the statements and supporting documentation were reviewed and approved in writing by someone other than the authorized card holder.

Travel Expense Reimbursements

9. Two of the three travel reimbursements selected for testing were not reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

10. One of the five contracts selected for testing had a payment that did not agree to the terms and conditions of the contract. The actual quarterly payment was \$500 less than the stated contract price.

Payroll/ Personnel

11. The total hours paid for one of the termination payments did not agree to the leave records. The leave records reflected 45.36 hours and the amount paid was 48.02 hours.

Ethics

12. Two employees did not have support for completion of one hour of ethics training during the fiscal period.

Fraud Notice

13. The entity does not have the notice concerning the reporting of misappropriate, fraud, waste, or abuse of public funds required by R.S. 24:523.3 posted on their website.

Sexual Harassment

14. The entity does not have its sexual harassment policy and complaint procedure posted on its website.
15. The entity did not have documentation that one employee completed as least one hour of sexual harassment training during the calendar year and two employees were included on a sexual harassment sign in sheet without any documentation of the specific training/course attended.
16. The entity's sexual harassment report was not dated.

Management's Response:

Management of the City of St. Martinville concurs with the exceptions and are working to address the deficiencies identified.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 26, 2023