

EISNERAMPER

**CITY OF DONALDSONVILLE
Donaldsonville, Louisiana**

FINANCIAL REPORT

June 30, 2023



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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Commission Council
City of Donaldsonville, 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, and each major fund of the City of Donaldsonville, Louisiana, (the City) as of and for the year ended June 30, 2023, 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, and each major fund of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet 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 these 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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment 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 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 judgment, 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 management's discussion and analysis, the budgetary comparison information, the schedule of changes in total other postemployment benefits liability and related ratios, the schedule of proportionate share of the net pension liability, the schedule of contributions, and the notes to the required supplementary information 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.



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 statement of operating expenses – proprietary funds, the schedule of principal officials and salaries, the schedule of compensation, benefits, and other payments to agency head, the justice system funding schedule – collecting/disbursing entity, and the schedule of expenditures for federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, are presented for the 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 statement of operating expenses – proprietary funds, the schedule of principal officials and salaries, the schedule of compensation, benefits, and other payments to agency head, the justice system funding schedule – collecting/disbursing entity, and the schedule of expenditures of federal awards and related notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of sewerage customers (unaudited) and the schedule of insurance in force (unaudited) but does not include the basic financial statements 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 December 28, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the 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's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
December 28, 2023



REQUIRED SUPPLEMENTARY INFORMATION – PART I

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

This section of the City of Donaldsonville's (the City) annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the City's financial statements, which follows this section.

FINANCIAL HIGHLIGHTS

- The City's combined total net position increased by approximately \$2.0 million or 12.5% over the course of this year's operations. Net position of our governmental activities increased by approximately \$558,000, and net position of our business-type activities increased by approximately \$1.4 million.
- During the year, the City's governmental expenses and transfers out were approximately \$558,000 less than the \$9.2 million generated in charges for services, taxes, grants, transfers, and other revenue. In the City's business-type activities, expenses were approximately \$1.4 million less than the \$4.3 million generated in revenues, transfers, and grants.
- For the City's governmental activities, capital assets decreased approximately \$325,000 and outstanding debt decreased approximately \$427,000 from the prior year. The decrease in capital assets is mostly due to depreciation expense of approximately \$550,000 exceeding the additions of approximately \$225,000. The Lemann Center renovations and the installation of several emergency generators were the major additions of the City's governmental activities. The decrease in outstanding debt is due to continued bond payments in the current year.
- The net capital assets of the City's business-type activities increased by approximately \$807,000, which is the result of asset additions of approximately \$1.2 million that were offset by depreciation expense of approximately \$420,000. The significant asset additions included the completion of the natural gas project and a generator project for the sewer fund.
- The governmental funds reported approximately \$4.6 million in fund balance at year end, an approximately \$486,000 increase from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2023

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

Figure A-1			
Major Features of the City's Government and Fund Financial Statements			
		Fund Statements	
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as police, fire, and streets	Activities the City operates similar to private businesses: the gas and sewer system
Required financial statements	<ul style="list-style-type: none"> ▪ Statement of net position ▪ Statement of activities 	<ul style="list-style-type: none"> ▪ Balance sheet ▪ Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> ▪ Statement of net position ▪ Statement of revenues, expenses, and changes in net position ▪ Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.

The City has two kinds of funds:

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

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's combined net position increased between fiscal years 2022 and 2023 approximately 12.5% to \$17.8 million. (See Table A-1)

	Table A-1			
	Town's Net Position			
	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
ASSETS				
Current and other assets	\$ 6,118,301	\$ 4,752,699	\$3,314,124	\$3,189,204
Capital assets	12,149,665	12,475,105	11,162,233	10,355,487
TOTAL ASSETS	18,267,966	17,227,804	14,476,357	13,544,691
Deferred outflows of resources	1,093,868	764,142	201,463	141,233
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	19,361,834	17,991,946	14,677,820	13,685,924
LIABILITIES				
Current liabilities	1,936,098	1,061,067	850,033	947,473
Long-term liabilities	5,798,241	5,314,820	7,381,219	7,645,005
TOTAL LIABILITIES	7,734,339	6,375,887	8,231,252	8,592,478
Deferred inflows of resources	251,669	798,370	35,466	103,852
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	7,986,008	7,174,257	8,266,718	8,696,330
NET POSITION				
Net investment in capital assets	8,904,958	8,803,156	3,974,018	2,792,903
Restricted for:				
Section 8 expenditures	50,230	53,364	-	-
Debt service	715,069	671,535	779,674	770,424
Fire department capital expenditures	176,626	125,821	-	-
Public improvements	1,799,167	1,136,000	1,106,142	1,082,047
Unrestricted (deficit)	(270,224)	27,813	551,268	344,220
TOTAL NET POSITION	\$11,375,826	\$10,817,689	\$6,411,102	\$4,989,594

Net position of the City's governmental activities increased to approximately \$11.4 million. Net position of the City's business-type activities increased to approximately \$6.4 million.

Changes in net position. The City's total revenues decreased approximately \$990,000 from the prior year. (See Table A-2.) Approximately 33 percent of the City's revenue comes from charges for services, 36 percent comes from tax collections, 22 percent is from various local and federal grants, and the remaining 9 percent is from various miscellaneous sources.

The City's total expenses for the year ended June 30, 2023 decreased by approximately \$9,000 to \$9.6 million. Approximately 71 percent of the City's expenses comes from its governmental activities and 29 percent comes from its business-type activities. (See Table A-2)

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

Governmental Activities

Revenues for the City's governmental activities decreased 5.6 percent or approximately \$464,000. The main increase is attributed to a decrease in federal and state grants received in the current year compared to the prior year. This intergovernmental funding is related to American Rescue Plan allocations and FEMA reimbursements. Expenses of the City's governmental activities increased from the prior year by approximately \$222,000 or 3.4 percent. Expenses increased from the prior year related to the public safety, streets, and welfare expenses.

	Table A-2			
	Changes in Town's Net Position			
	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Revenues				
Program revenues				
Charges for services	\$ 1,086,323	\$ 1,080,821	\$2,770,773	\$2,641,098
Operating grants and	1,024,704	1,852,719	-	447,373
Capital grants and contributions	637,708	392,006	920,842	1,100,886
General revenues				
Taxes	4,188,124	4,196,553	-	-
Licenses and permits	378,726	374,493	-	-
Miscellaneous	477,730	366,507	79,932	108,678
Interest	9,718	4,110	3,369	427
Total revenues	7,803,033	8,267,209	3,774,916	4,298,462
Expenses				
General government	1,264,199	1,360,763	-	-
Public safety	2,556,749	2,369,346	-	-
Streets	1,054,765	980,198	-	-
Sanitation	972,001	960,586	-	-
Recreation	200,781	180,354	-	-
Welfare	596,673	561,432	-	-
Debt Services	124,583	135,325	-	-
Business Type Activities	-	-	2,828,553	3,040,810
Total expenses	6,769,751	6,548,004	2,828,553	3,040,810
Increase in net position before special items and transfers	1,033,282	1,719,205	946,363	1,257,652
<i>Special item</i> – loss on disposal of impaired asset	-	(365,785)	-	-
Transfers (to) from	(475,145)	(492,730)	475,145	492,730
Increase in net position	558,137	860,690	1,421,508	1,750,382
Beginning net position	10,817,689	9,956,999	4,989,594	3,239,212
Net position	\$11,375,826	\$10,817,689	\$6,411,102	\$4,989,594

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2023

Business-type Activities

Revenues decreased by approximately 12.2 percent to approximately \$3.8 million. The majority of the decrease in revenues is the result of a decrease in federal and state grants. Expenses of the City’s business-type activities decreased from prior year expenses by 7.0 percent to approximately \$2.8 million. The decrease in expenses from the prior year is also related to the decrease in cost of gas as well as supplies expenses related to Hurricane Ida recovery in the prior.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

As the City completed the year, its governmental funds reported a combined fund balance of \$4,559,970, an increase of approximately 11.9 percent from last year.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised its General Fund budget. These budget amendments included increases in federal, state, and parish grants as well as the miscellaneous income. The main increase was the result of the receipt of the Coronavirus State and Local Fiscal Recovery funds and FEMA reimbursements in the current year. The budget was also amended for an increase in capital outlay, general government, public safety, and streets and sanitation expenditures as the result of additional spending related to these recovery funds and reimbursements.

With these adjustments, actual revenues and transfers in were approximately \$2.5 million under the final budget amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of fiscal year 2023, the City had approximately \$23.3 million in a broad range of capital assets, including buildings, vehicles, and gas and sewer systems. (See Table A-3) This amount represents a net increase from the prior year (including additions and deductions) of approximately \$480,000 or 2.1 percent. The main increase is attributed to continuation of the Donaldsonville Natural Gas System Infrastructure Improvement Project, the Lemann Center Renovations Project, and the Generator Project. Governmental activities have one incomplete project at year end for the Generator Project. Business-type activities have various phases of the Sanitary Sewer Project and the Generator Project incomplete at year-end.

Table A-3
City’s Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Land	\$ 911,549	\$ 911,549	\$ 1,500	\$ 1,500
Construction in progress	62,438	245,869	597,702	1,771,981
Gas, Plant, & Sewer Equipment	-	-	10,563,031	8,582,006
Buildings & Improvements	10,511,427	10,635,662	-	-
Equipment	664,251	682,025	-	-
Total	\$12,149,665	\$12,475,105	\$11,162,233	\$10,355,487

Outstanding debt. At the end of the current fiscal year, the City had debt outstanding of \$10,935,745 as compared to \$11,737,356 in the prior year, a decrease of approximately \$802,000, or 6.8 percent. More information about the City’s long-term liabilities is presented in Note 9 to the financial statements.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's major sources of revenue for the General Fund are comprised of property taxes, occupational licenses, the fire household fee, and franchise fees. The economy is not expected to generate any significant growth. All expenditures are expected to be consistent with the current year.

The City will recognize approximately \$1.2 million to help offset any negative financial impact of COVID-19 as a result of the American Rescue Plan passed by Congress and signed by the President in March 2021, and additional FEMA reimbursements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Sandra Williams, Finance Director, at 609 Railroad Avenue, Donaldsonville, LA 70346, phone # (225) 473-4247 Ext. 14.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,095,429	\$ 380,585	\$ 2,476,014
Receivables:			
Accounts receivables, net	176,967	284,522	461,489
Due from other governments	899,110	2,433	901,543
Internal balances	(369,025)	369,025	-
Lease receivable	62,634	-	62,634
Restricted assets:			
Cash and interest-bearing deposits	3,253,186	2,277,559	5,530,745
Capital assets, net			
Non-depreciable	973,987	599,202	1,573,189
Net depreciable	11,175,678	10,563,031	21,738,709
Total assets	<u>18,267,966</u>	<u>14,476,357</u>	<u>32,744,323</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	967,267	142,553	1,109,820
Other postemployment benefits related	126,601	58,910	185,511
Total deferred outflows of resources	<u>1,093,868</u>	<u>201,463</u>	<u>1,295,331</u>
LIABILITIES			
Accounts payable	218,767	176,233	395,000
Accrued payables	62,560	24,058	86,618
Unearned revenue	1,229,609	-	1,229,609
Payable from restricted assets:			
Customer deposits	-	244,344	244,344
Long-term liabilities:			
Debt and compensated absences:			
Due within one year	414,162	405,398	819,560
Due in more than one year	3,376,530	6,797,045	10,173,575
Net pension liability	1,981,962	385,086	2,367,048
Other postemployment benefits liability:			
Due within one year	11,000	-	11,000
Due in more than one year	439,749	199,088	638,837
Total liabilities	<u>7,734,339</u>	<u>8,231,252</u>	<u>15,965,591</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	153,791	19,802	173,593
Other postemployment benefits related	36,448	15,664	52,112
Lease related	61,430	-	61,430
Total deferred inflows of resources	<u>251,669</u>	<u>35,466</u>	<u>287,135</u>
NET POSITION			
Net investment in capital assets	8,904,958	3,974,018	12,878,976
Restricted for:			
Section 8 expenditures	50,230	-	50,230
Debt service	715,069	779,674	1,494,743
Fire department capital expenditures	176,626	-	176,626
Public improvements	1,799,167	1,106,142	2,905,309
Unrestricted	(270,224)	551,268	281,044
Total net position	<u>\$ 11,375,826</u>	<u>\$ 6,411,102</u>	<u>\$ 17,786,928</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Functions / Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 1,264,199	\$ -	\$ 53,384	\$ 6,700	\$ (1,204,115)	\$ -	\$ (1,204,115)
Public safety:							
Police	1,019,177	375,480	-	-	(643,697)	-	(643,697)
Fire	1,537,572	229,389	383,037	-	(925,146)	-	(925,146)
Streets	1,054,765	-	-	-	(1,054,765)	-	(1,054,765)
Recreation	200,781	-	-	631,008	430,227	-	430,227
Sanitation	972,001	481,454	-	-	(490,547)	-	(490,547)
Welfare	596,673	-	588,283	-	(8,390)	-	(8,390)
Interest on long-term debt	124,583	-	-	-	(124,583)	-	(124,583)
Total governmental activities	<u>6,769,751</u>	<u>1,086,323</u>	<u>1,024,704</u>	<u>637,708</u>	<u>(4,021,016)</u>	<u>-</u>	<u>(4,021,016)</u>
Business-type activities:							
Gas	1,481,940	1,531,985	-	319,460	-	369,505	369,505
Sewer	1,346,613	1,238,788	-	601,382	-	493,557	493,557
Total business-type activities	<u>2,828,553</u>	<u>2,770,773</u>	<u>-</u>	<u>920,842</u>	<u>-</u>	<u>863,062</u>	<u>863,062</u>
Total	<u>\$ 9,598,304</u>	<u>\$ 3,857,096</u>	<u>\$ 1,024,704</u>	<u>\$ 1,558,550</u>	<u>(4,021,016)</u>	<u>863,062</u>	<u>(3,157,954)</u>
General revenues							
Taxes							
Sales and use taxes					3,382,106	-	3,382,106
Franchise taxes					452,936	-	452,936
Property taxes					353,082	-	353,082
Interest and investment earnings					9,718	3,369	13,087
Licenses, permits, and fines					378,726	-	378,726
Miscellaneous					477,730	79,932	557,662
Transfers					(475,145)	475,145	-
Total general revenues and transfers					<u>4,579,153</u>	<u>558,446</u>	<u>5,137,599</u>
Change in net position					558,137	1,421,508	1,979,645
Net position - June 30, 2022					10,817,689	4,989,594	15,807,283
Net position - June 30, 2023					<u>\$ 11,375,826</u>	<u>\$ 6,411,102</u>	<u>\$ 17,786,928</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS (FFS)

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	General	Sales Tax	Section 8	Law Enforcement	Debt Service	Capital Projects	Total
ASSETS							
Cash and cash equivalents	\$ 1,917,487	\$ 47,304	\$ 76,122	\$ 54,516	\$ -	\$ -	\$ 2,095,429
Receivables:							
Accounts receivable, net	101,371	42,303	585	32,708	-	-	176,967
Due from other governments	293,718	603,880	1,512	-	-	-	899,110
Due from other funds	456,286	4,816	-	416,626	-	578,881	1,456,609
Lease receivable	62,634	-	-	-	-	-	62,634
Restricted assets - cash	360,137	-	-	-	1,157,388	1,735,661	3,253,186
Total assets	<u>\$ 3,191,633</u>	<u>\$ 698,303</u>	<u>\$ 78,219</u>	<u>\$ 503,850</u>	<u>\$ 1,157,388</u>	<u>\$ 2,314,542</u>	<u>\$ 7,943,935</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 142,135	\$ 74,632	\$ 2,000	\$ -	\$ -	\$ -	\$ 218,767
Accrued payables	31,129	-	-	-	-	-	31,129
Due to other funds	871,511	438,207	25,989	79,039	410,888	-	1,825,634
Unearned revenue	1,229,609	-	-	-	-	-	1,229,609
Total liabilities	<u>2,274,384</u>	<u>512,839</u>	<u>27,989</u>	<u>79,039</u>	<u>410,888</u>	<u>-</u>	<u>3,305,139</u>
DEFERRED INFLOWS OF RESOURCES							
Lease related	61,430	-	-	-	-	-	61,430
Unavailable revenue	17,396	-	-	-	-	-	17,396
Total deferred inflows of resources	<u>78,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,826</u>
Fund balances:							
Restricted for:							
Fire department capital expenditures	164,074	-	-	-	-	12,552	176,626
Section 8 expenditures	-	-	50,230	-	-	-	50,230
Debt service	-	-	-	-	746,500	-	746,500
Public improvements	-	-	-	-	-	2,301,990	2,301,990
Assigned							
Sewer and sanitation	-	185,464	-	-	-	-	185,464
Public safety operating and capital expenditures	119,174	-	-	424,811	-	-	543,985
Unassigned	555,175	-	-	-	-	-	555,175
Total fund balances	<u>838,423</u>	<u>185,464</u>	<u>50,230</u>	<u>424,811</u>	<u>746,500</u>	<u>2,314,542</u>	<u>4,559,970</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,191,633</u>	<u>\$ 698,303</u>	<u>\$ 78,219</u>	<u>\$ 503,850</u>	<u>\$ 1,157,388</u>	<u>\$ 2,314,542</u>	<u>\$ 7,943,935</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023**

Total fund balance for governmental funds at June 30, 2023		\$ 4,559,970
Total net position reported for governmental activities in the position is different because:		
Capital assets used in governmental activities are not financial resources and therefore, they are not reported in the funds. Those assets consist of:		
Land	911,549	
Construction in progress	62,438	
Cost of buildings and equipment	18,376,778	
Less: Accumulated depreciation	<u>(7,201,100)</u>	12,149,665
Deferred outflows and inflows relating to pensions and other postemployment benefits are not financial resources; therefore, they are not reported in the governmental funds:		
Deferred outflows - pension related	967,267	
Deferred outflows - other postemployment benefits related	<u>126,601</u>	1,093,868
Deferred inflows - pension related	(153,791)	
Deferred inflows - other postemployment benefits related	<u>(36,448)</u>	(190,239)
Elimination of interfund assets and liabilities		
Due from other funds	(1,456,609)	
Due to other funds	<u>1,456,609</u>	-
Accrued interest payable on general obligation long-term liabilities was not reported in the funds.		(31,431)
Compensated absences payable are not reported as fund liabilities because they are not due and payable in the current period.		(43,162)
Revenues collected more than sixty days after year-end and unavailable to pay current year expenditures.		17,396
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported in fund liabilities.		
Bonds and financed asset liability	(3,747,530)	
Net pension liability	(1,981,962)	
Total other postemployment benefits liability	<u>(450,749)</u>	<u>(6,180,241)</u>
Total net position of governmental activities at June 30, 2023		<u>\$ 11,375,826</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General	Sales Tax	Section 8	Law Enforcement	Debt Service	Capital Projects	Total
REVENUES							
Taxes	\$ 822,865	\$ 3,382,106	\$ -	\$ -	\$ -	\$ -	\$ 4,204,971
Licenses and permits	324,212	-	-	-	-	-	324,212
Intergovernmental	674,129	-	588,283	-	-	400,000	1,662,412
Fines	54,514	-	-	-	-	-	54,514
Charges for services	229,389	481,454	-	375,480	-	-	1,086,323
Other	481,227	474	5,256	103	522	-	487,582
Total revenues	<u>2,586,336</u>	<u>3,864,034</u>	<u>593,539</u>	<u>375,583</u>	<u>522</u>	<u>400,000</u>	<u>7,820,014</u>
EXPENDITURES							
Current:							
General government	1,277,765	-	-	-	-	-	1,277,765
Public safety	1,301,837	-	-	1,019,177	-	-	2,321,014
Streets	819,174	-	-	-	-	-	819,174
Sanitation	54,104	917,897	-	-	-	-	972,001
Recreation	90,154	-	-	-	-	-	90,154
Welfare	-	-	596,673	-	-	-	596,673
Capital outlay	224,400	-	-	-	-	-	224,400
Debt service:							
Principal retirement	68,242	-	-	-	359,000	-	427,242
Interest and bank charges	6,172	-	-	-	124,455	-	130,627
Total expenditures	<u>3,841,848</u>	<u>917,897</u>	<u>596,673</u>	<u>1,019,177</u>	<u>483,455</u>	<u>-</u>	<u>6,859,050</u>
Excess of revenues over (under) expenditure:	<u>(1,255,512)</u>	<u>2,946,137</u>	<u>(3,134)</u>	<u>(643,594)</u>	<u>(482,933)</u>	<u>400,000</u>	<u>960,964</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	1,349,868	-	-	674,935	520,423	682,367	3,227,593
Transfers out	(327,703)	(2,955,835)	-	-	-	(419,200)	(3,702,738)
Total other financing sources (uses)	<u>1,022,165</u>	<u>(2,955,835)</u>	<u>-</u>	<u>674,935</u>	<u>520,423</u>	<u>263,167</u>	<u>(475,145)</u>
Net change in fund balances	<u>(233,347)</u>	<u>(9,698)</u>	<u>(3,134)</u>	<u>31,341</u>	<u>37,490</u>	<u>663,167</u>	<u>485,819</u>
Fund balances, beginning of year	1,071,770	195,162	53,364	393,470	709,010	1,651,375	4,074,151
Fund balances, end of year	<u>\$ 838,423</u>	<u>\$ 185,464</u>	<u>\$ 50,230</u>	<u>\$ 424,811</u>	<u>\$ 746,500</u>	<u>\$ 2,314,542</u>	<u>\$ 4,559,970</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DONALDSONVILLE
Donaldsonville, 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, 2023**

Total net changes in fund balances at June 30, 2023 per Statement of Revenues, Expenditures, and Changes in Fund Balances		\$ 485,819
Revenues:		
Change in unavailable revenue due to collection period beyond 60 days		(16,847)
Capital assets:		
Capital outlay capitalized	224,400	
Loss on disposition of assets	(134)	
Depreciation expense for the year ended June 30, 2023	<u>(549,706)</u>	(325,440)
Long-term debt:		
Principal portion of debt service payments	427,242	
Change in accrued interest payable	6,044	
Change in compensated absences payable	(1,557)	
Net change in other postemployment benefits and deferrals	(41,350)	
Net change in pension liability and deferrals	<u>24,226</u>	<u>414,605</u>
Total change in net position at June 30, 2023 per Statement of Activities		<u>\$ 558,137</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2023

	Gas Utility Fund	Sewerage District No. 1	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 209,543	\$ 171,042	\$ 380,585
Accounts receivable, net	110,087	174,435	284,522
Due from other governments	-	2,433	2,433
Due from other funds	155,070	720,184	875,254
Total unrestricted assets	<u>474,700</u>	<u>1,068,094</u>	<u>1,542,794</u>
Restricted assets			
Cash and cash equivalents - customer deposits	271,742	103,820	375,562
Cash - sinking and reserve funds	63,411	732,444	795,855
Total restricted assets	<u>335,153</u>	<u>836,264</u>	<u>1,171,417</u>
Total current assets	<u>809,853</u>	<u>1,904,358</u>	<u>2,714,211</u>
Noncurrent assets			
Restricted assets			
Cash - contingencies and capital improvements funds	897,536	208,606	1,106,142
Capital assets (non-depreciable)	1,500	597,702	599,202
Capital assets (net of depreciation)	2,368,384	8,194,647	10,563,031
Total noncurrent assets	<u>3,267,420</u>	<u>9,000,955</u>	<u>12,268,375</u>
Total assets	<u>4,077,273</u>	<u>10,905,313</u>	<u>14,982,586</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	97,296	45,257	142,553
Other postemployment benefits related	30,068	28,842	58,910
Total deferred outflows of resources	<u>127,364</u>	<u>74,099</u>	<u>201,463</u>
LIABILITIES			
Current liabilities			
Payable from current assets:			
Accounts payable	140,211	36,022	176,233
Accrued payables	6,441	17,617	24,058
Due to other funds	430,297	75,932	506,229
Compensated absences payable	11,319	2,909	14,228
Payable from restricted assets:			
Bonds payable in one year	42,170	349,000	391,170
Total current liabilities	<u>630,438</u>	<u>481,480</u>	<u>1,111,918</u>
Noncurrent liabilities			
Customer deposits	192,124	52,220	244,344
Bonds payable after one year	563,876	6,233,169	6,797,045
Net pension liability	262,829	122,257	385,086
Other postemployment benefits liability	112,577	86,511	199,088
Total noncurrent liabilities	<u>1,131,406</u>	<u>6,494,157</u>	<u>7,625,563</u>
Total liabilities	<u>1,761,844</u>	<u>6,975,637</u>	<u>8,737,481</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	13,515	6,287	19,802
Other postemployment benefits related	9,315	6,349	15,664
Total deferred inflows of resources	<u>22,830</u>	<u>12,636</u>	<u>35,466</u>
NET POSITION			
Net investment in capital assets	1,763,838	2,210,180	3,974,018
Restricted for debt service	62,790	716,884	779,674
Restricted for asset improvements and replacement	897,536	208,606	1,106,142
Unrestricted (deficit)	(304,201)	855,469	551,268
Total net position	<u>\$ 2,419,963</u>	<u>\$ 3,991,139</u>	<u>\$ 6,411,102</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS**
For the Year Ended June 30, 2023

	Gas Utility Fund	Sewerage District No. 1	Total
OPERATING REVENUES			
Charges for services	\$ 1,531,985	\$ 1,238,788	\$ 2,770,773
Other	33,455	46,477	79,932
Total operating revenues	<u>1,565,440</u>	<u>1,285,265</u>	<u>2,850,705</u>
OPERATING EXPENSES			
Gas	600,512	-	600,512
Depreciation	74,131	348,398	422,529
Field	507,944	714,350	1,222,294
Administration	271,873	253,419	525,292
Total operating expenses	<u>1,454,460</u>	<u>1,316,167</u>	<u>2,770,627</u>
Operating income (loss)	<u>110,980</u>	<u>(30,902)</u>	<u>80,078</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	1,729	1,640	3,369
Intergovernmental	319,460	601,382	920,842
Interest and fiscal charges	(27,480)	(30,446)	(57,926)
Total non-operating revenues (expenses)	<u>293,709</u>	<u>572,576</u>	<u>866,285</u>
Income before transfers	<u>404,689</u>	<u>541,674</u>	<u>946,363</u>
TRANSFERS			
Transfers in	-	475,145	475,145
Net transfers	<u>-</u>	<u>475,145</u>	<u>475,145</u>
CHANGE IN NET POSITION	404,689	1,016,819	1,421,508
NET POSITION			
Beginning of year	2,015,274	2,974,320	4,989,594
End of year	<u>\$ 2,419,963</u>	<u>\$ 3,991,139</u>	<u>\$ 6,411,102</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	<u>Gas Utility Fund</u>	<u>Sewerage District No. 1</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,588,884	\$ 1,270,106	\$ 2,858,990
Cash payments from customer deposits	(2,884)	(1,300)	(4,184)
Cash payments to suppliers for goods and services	(1,061,255)	(973,029)	(2,034,284)
Cash payments to employees	(290,702)	(134,401)	(425,103)
Net cash provided by operating activities	<u>234,043</u>	<u>161,376</u>	<u>395,419</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers, net	(171,829)	77,309	(94,520)
Subsidy from grants	319,460	1,009,649	1,329,109
Net cash provided by non-capital financing activities	<u>147,631</u>	<u>1,086,958</u>	<u>1,234,589</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Interest and fiscal charges on capital debt	(27,479)	(30,447)	(57,926)
Principal paid on capital debt	(40,369)	(334,000)	(374,369)
Acquisition of capital assets	(524,464)	(704,811)	(1,229,275)
Net cash used in capital and related financing activities	<u>(592,312)</u>	<u>(1,069,258)</u>	<u>(1,661,570)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	1,729	1,640	3,369
Net cash provided by investing activities	<u>1,729</u>	<u>1,640</u>	<u>3,369</u>
Net increase (decrease) in cash	(208,909)	180,716	(28,193)
Cash at beginning of year	<u>1,651,141</u>	<u>1,035,196</u>	<u>2,686,337</u>
Cash at end of year	<u>\$ 1,442,232</u>	<u>\$ 1,215,912</u>	<u>\$ 2,658,144</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	<u>Gas Utility Fund</u>	<u>Sewerage District No. 1</u>	<u>Total</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Income (loss) from operations	\$ 110,980	\$ (30,902)	\$ 80,078
ADJUSTMENTS TO RECONCILE INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Depreciation	74,131	348,398	422,529
Change in operating assets and liabilities:			
Accounts receivable	23,444	(15,159)	8,285
Deferred outflows of resources	(44,433)	(15,797)	(60,230)
Checks written in excess	-	(111,943)	(111,943)
Accounts payable	74,078	(7,554)	66,524
Accrued expenses	(61,257)	(3,381)	(64,638)
Deferred inflows of resources	(42,126)	(26,260)	(68,386)
Net pension liability	95,935	23,656	119,591
Total OPEB liability	6,175	1,618	7,793
Customer deposits	(2,884)	(1,300)	(4,184)
Net cash provided by operating activities	<u>\$ 234,043</u>	<u>\$ 161,376</u>	<u>\$ 395,419</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:			
Current assets-			
Cash and cash equivalents	\$ 209,543	\$ 171,042	\$ 380,585
Restricted cash and cash equivalents	335,153	836,264	1,171,417
Noncurrent assets-			
Restricted cash and cash equivalents	897,536	208,606	1,106,142
Total cash and cash equivalents	<u>\$ 1,442,232</u>	<u>\$ 1,215,912</u>	<u>\$ 2,658,144</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies

The City of Donaldsonville, Louisiana (the City) was incorporated February 11, 1975, by its home rule charter, under the authority of Article VI, section 5 of the Louisiana Constitution of 1974. The municipal government provided by this home rule charter shall be known as the "Commission" form of government and provides the following services as authorized by its charter: police and fire protection, streets and drainage, parks and recreation, certain social services, and general administration services. The City owns and operates two enterprise activities, consisting of a gas utility fund and a sewer utility fund which provide gas and sewer services to the citizens of the City.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:517, to the guidance set forth in the *Louisiana Governmental Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

Financial Reporting Entity

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

In some instances, the potential component unit should be included in the reporting entity, if exclusion would render the reporting entity's financial statements incomplete or misleading.

Based on these criteria, management has determined that the City does not have any other reporting entity that should be considered a component unit as required by generally accepted accounting principles. There are three related organizations that were determined not to be a component unit:

Donaldsonville Housing Authority's (the Authority) operating and capital expenditures, including debt service, are financed from federal grants and tenant rentals. The City has no involvement in the determination of the Authority's budget, rental rates, or any obligation for the Authority's outstanding debt. Financial transactions between the City and the Authority, reported in the accompanying financial statements, reflect contractual agreements between the parties for the provision of specific services by the City for the Authority.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Financial Reporting Entity (continued)

The Industrial Development Board of the City of Donaldsonville, Louisiana, Inc. (Development Board) is a legally separate entity whose board is appointed by the City of Donaldsonville council. However, there is no potential for the Development Board to impose a financial burden on the City, and the potential for the Development Board to provide specific financial benefit to the City is not likely.

The Downtown Development District (District) is a legally separate entity whose voting members are appointed by the City of Donaldsonville council. However, there is no potential for the District to impose a financial burden on the City, and the potential for the District to provide specific financial benefit to the City is not likely.

This report includes all funds which are controlled by the City. The City is not included in any other governmental "reporting entity" as defined by the GASB pronouncement.

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

Basis of Presentation

The City's *Basic Financial Statements* consist of the government-wide statements on all the non-fiduciary activities and the fund financial statements (individual major funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities for all non-fiduciary activities. Interfund activity consists of interfund receivables and payables. As a general rule, the effect of interfund activity has been eliminated from both the statement of net position and the statement of activities. The government-wide presentation focuses primarily on the long-term sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental Activities represent programs which normally are supported by taxes and intergovernmental revenues.

Business-type Activities are financed in whole or in part by fees charged to external parties for goods and services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and special fund programs. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. This includes externally dedicated resources such as a restricted property tax.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Government-Wide Financial Statements (continued)

The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Fund Financial Statements

Emphasis of fund financial reporting is on the major fund level in either the governmental or business-type categories.

The daily accounts and operations of the City are organized on the basis of individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the primary government are grouped into generic fund types and two broad fund categories as follows:

Governmental Activities Presented as Governmental Funds in the Fund Financial Statements:

General Fund – The General Fund is the government’s primary operating fund of the City and is considered to be a major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures (other than major capital projects or debt service) for specified purposes.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources that are committed, restricted, or assigned to the payment of, general long-term debt principal, interest, and related costs on long-term obligations of governmental funds.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Fund Financial Statements (continued)

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Proprietary Funds:

Enterprise Funds – Enterprise funds are used to account for operations: (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds are combined and presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements. The enterprise funds reported as major funds in the fund financial statements consist of:

The Gas Utility Fund accounts for the sale and distribution of gas to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing and collection of a user fee, and administration of gas lines including long-term capital improvements.

The Sewerage District No. 1 Fund accounts for the provision of sewer services and sewer treatment services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing and collection of a user fee, and administration of sewerage facilities including long-term capital improvements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Basis of Accounting and Measurement Focus

Government-Wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues received before all eligibility requirements have been met are reported as unearned revenue. Property taxes are recognized in the year for which they are levied.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Measurement Focus (continued)

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental funds resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings, are recorded as earned since they are measurable and available. The City's definition of available means expected to be received within sixty days of the end of the fiscal year for all revenues except grants or entitlements on federal or state assistance programs. The availability period for these grant programs is twelve months.

Nonexchange transactions, in which the City receives value without directly giving value in return, includes sales tax, property tax, special assessments, grants, entitlements, and donations. Property taxes are recognized as revenues in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales tax and gross receipts business tax revenues are recognized when the underlying transaction occurs and meets the availability criteria, as described in the preceding paragraph. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied, subject to the availability criteria. Eligibility requirements include timing requirements, which specify the year when the resources can be used. The City records unearned revenue when resources have been received, but all eligibility requirements have not been met.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgments, group health claims, arbitrage payable, total other postemployment benefit liability, net pension liability, and compensated absences are recorded as expenditures in the governmental fund type when paid with expendable available financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds are accounted for on an economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Measurement Focus (continued)

The City reports the following major governmental funds:

Fund Financial Statements (continued)

General Fund - To account for resources traditionally associated with the governments that are not required to be accounted for in another fund.

Sales Tax Special Revenue Fund - To account for the sales tax and garbage collection revenues and expenditures associated with garbage collection.

Section 8 Special Revenue Fund - To account for the revenues and expenditures associated with the HUD housing voucher program.

Law Enforcement Special Revenue Fund - To account for the sales tax and household fee revenues and expenditures associated with the City's law enforcement.

Debt Service Fund – To meet requirements of bond ordinances and to account for the accumulation of resources for and the payment of general longer-term debt principal, interest, and related costs.

Capital Projects Fund - To account for financial resources received and used for the acquisition, construction, or improvements of capital facilities not reported in other governmental funds.

The City reports the following major enterprise funds:

Gas Utility Fund – To account for the sale and distribution of gas to the residents of the City.

Sewerage District No. 1 Fund – To account for the provision of sewer services and sewer treatment services to the residents of the City.

Budgetary Data

Budget Policies and Budgetary Accounting:

Annual budgets are adopted and recorded in the accounting records for all governmental type funds. The City follows these procedures in establishing the budgetary data reflected in these financial statements:

- A proposed budget is prepared and submitted to the Mayor and City Council prior to the beginning of each fiscal year.
- The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.
- The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- Budgetary amendments involving the transfer of funds from one department, program, or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval from the City Council.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Budgetary Data (continued)

Budget Policies and Budgetary Accounting: (continued)

- All budgetary appropriations lapse at the end of each fiscal year.
- Budgets for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
- Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.

The level of budgetary control is total appropriations. Budgeted amounts are as originally adopted, or as amended, by the City Council.

Encumbrances:

Encumbrances representing purchase orders, contracts or other commitments are recorded in governmental fund-type budgetary funds to reserve portions of applicable appropriations. Encumbrances are part of the budgetary process and are included in actual expenditures when a comparison with budget is necessary. Encumbrances at year-end are not considered expenditures in the financial statements presented on the GAAP basis. Encumbrances are reported in the governmental fund-type balance sheet in the restricted, committed, or assigned fund balance classifications.

Excess of Expenditures over Appropriations:

For the year ended June 30, 2023, expenditures and transfers out exceeded appropriations in the Sales Tax Fund, Section 8 Fund, and Law Enforcement Fund. These excess expenditures were covered by transfers from other funds and available fund balance in the fund.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents for the primary government includes demand deposit and interest-bearing demand deposit accounts, cash on hand, certificates of deposit, petty cash, and cash for all sinking funds and debt service reserve funds.

Cash equivalents for each fund include demand deposit account balance, cash on hand, and certificates of deposit with maturities of three months or less from date purchased.

Investments are stated at fair value, with the exception of certificates of deposit that are stated at cost.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents, and Investments (continued)

The investment policies of the City are governed by State Statutes and bond covenants and requires all securities to be investment-grade obligations but does not address specific credit quality ratings. The City does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not address credit quality ratings, concentration of credit risk by issuer, or investment maturity limitations. The City may also invest in bonds, debentures, and other indebtedness which are fully guaranteed by the United States, issued or guaranteed by federal agencies backed by full faith and credit of the United States, and issued or guaranteed by United States instrumentalities which are federally sponsored. Investments are stated at fair value. The City holds investments that are measured at fair value on a recurring basis. Fair value was determined using quoted market prices. Investment income includes interest earned, realized gains and losses, and unrealized gains and losses (changes in fair value).

Restricted Assets

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

Interfund Receivables and Payables

Short-term cash borrowing between funds are considered temporary in nature. These amounts are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Accounts Receivable and Due from Other Governments

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Major accounts receivable are recorded for: (1) sewer user fees in the Sewerage District No. 1 Fund; and (2) gas sales in the Gas Utility Fund. Uncollectible revenues are estimated at approximately one-half percent for the sewer user and gas collection fees with uncollectibles written off on a monthly basis.

Accounts receivable reported for governmental activities and governmental funds include receivables for garbage collection, fire household fee, and a law enforcement fee accounted for in the Sales Tax Fund, General Fund, and Law Enforcement Fund, respectively. This entity-wide accounts receivable is accrued net of a varying uncollectible percentage, based upon past trends of collection, by number of months outstanding.

Due from other governments consists of amounts receivable from grants, amounts requested for reimbursement of expenditures under various federal or state programs and grants, franchise taxes, sales and use taxes, and fees collected by other government agencies.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Capital Assets

All capital assets for governmental activities are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. Donated assets are recorded as capital assets at their acquisition value. Capital assets are recorded in the Government-wide Financial Statements but are not reported in the Fund Financial Statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets with a cost of \$500 or more are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 5 to 40 years.

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

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

Sewerage system plant	20-35 years
Gas plant	25 years
Sewerage and gas system equipment	5-10 years
Buildings	25-40 years
Office equipment	5-10 years
Automotive equipment	5 years

Leases

In accordance with GASB Statement No. 87, *Leases*, the City recognizes a lease receivable and a deferred inflow of resources in the financial statements for those lease contracts with an initial individual value that is material to the financial statements and whose terms call for a lease period greater than one year. The lease receivable or liability is measured at the commencement of the lease at the present value of payments expected to be received or paid during the lease term. Subsequently, the lease receivable or liability is reduced by the principal portion of lease payments received or paid. The right to use capital asset and the deferred inflow of resources is initially measured as the initial amount of the lease receivable or liability, adjusted for lease payments received or paid at or before the lease commencement date. The right to use capital asset is generally amortized as expenses while the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include (1) the discount rate used to present value the expected lease receipts, (2) lease term, and (3) lease receipts. The City generally estimates its incremental borrowing rate by looking at the most recently added debt to its books as the discount rate for measurement of the lease receivable. The lease term includes the noncancellable period of the lease plus any renewal periods that management has determined they are reasonably certain to renew. Management monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the balances recognized if certain changes occur that are expected to significantly affect the amount of the leases.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Subscription-Based Information Technology Arrangements (SBITA)

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, the City recognizes a right to use subscription asset and a corresponding subscription liability for those arrangements with an initial individual value that is material to the financial statements and whose terms call for a subscription period greater than one year. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges the City or the City's incremental borrowing rate if a rate is not stated in the arrangement. The City generally estimates its incremental borrowing rate by looking at the most recently added debt to its books as the discount rate for the SBITA. The right to use subscription asset is initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The right to use subscription asset is generally amortized as expenses systematically over the subscription term. The subscription term includes the noncancellable period of the SBITA plus any renewal periods that management has determined they are reasonably certain to renew. Management monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the balance recognized if certain changes occur that are expected to significantly affect the amount of the SBITA.

Accumulated Unpaid Vacation

City employees earn from 5 to 15 days of vacation leave each year, depending upon length of service. Vacation leave may not be carried forward from one year to the next, except in emergency situations. Any unused vacation leave is paid to the employee upon retirement or termination. The cost of vacation leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Liabilities

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

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Long-Term Liabilities (continued)

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

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

Pension Plans

The City is a participating employer in two cost-sharing, multiple-employer defined benefit pension plans as described in Note 7. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

Equity Classifications

Government-Wide Statements

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

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

When both restricted and unrestricted resources are available for use for a particular project or purpose, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Equity Classifications (continued)

Fund Financial Statements

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

- a. Non-spendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.
- b. Restricted – represents balances where constraints have been established by parties outside the City of Donaldsonville or imposed by law through constitutional provisions or enabling legislation.
- c. Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority.
- d. Assigned – represents balances that are constrained by the City’s intent to be used for specific purposes but are not restricted nor committed.
- e. Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the City reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the City reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

Bad Debts

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

Transfers In and Out

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases, where repayment is expected, the advances are accounted for through the various due from and due to accounts. Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources

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

The primary government's deferred outflows of resources and deferred inflows of resources on the statement of net position are a result of:

Note 7 presents detailed information concerning the amounts related to pensions, reported in the deferred inflows and deferred outflows sections of the statement of net position.

Note 8 presents detailed information concerning the amounts related to other postemployment benefits, reported in the deferred inflows and deferred outflows sections of the statement of net position.

Note 16 presents detailed information concerning the amounts related to leases, which are recognized at the inception of the lease in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Unavailable revenue, which arise only under the modified accrual basis of accounting, is recognized as an inflow of resources in the period that the related amounts become available.

Estimates

The preparation of financial statements in conformity with U.S. 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 expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Risk Management

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

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Current Year Adoption of New Accounting Standard

The City adopted the provisions of GASB Statement 96, *Subscription-based Information Technology Arrangements*. The objective of this statement is to streamline the accounting for these types of arrangements with those arrangement listed under GASB 87. The statement requires recognition of certain subscription assets and liabilities for subscriptions that previously were recorded as outflows of resources based on the payment provisions of the contract. A government is required to recognize a subscription liability and an intangible right to use subscription asset. The City determined that it does not have any subscription arrangements that meet the recognition criteria for recognition as a right of use subscription asset and subscription liability at June 30, 2023. The implementation of this Standard had no effect on fund balance or net position. The City does not have any subscription-based technology arrangements that are material in amount or meet the criteria for recognition and reporting in the financial statements as a right of use subscription asset.

2. Ad Valorem Taxes

Ad valorem taxes were levied by the City on June 13, 2022, for the calendar year 2022, based on the assessed valuation of property as of January 1 of the calendar year. These taxes become due and payable in November of each year and become delinquent after January 1 following the year levied.

Total assessed value was \$30,099,070 in calendar year 2022. The following is a summary of authorized and levied city-wide ad valorem taxes for the fiscal year ended June 30, 2023:

<u>City-wide taxes</u>	<u>Adjusted Mills</u>	<u>Levied Mills</u>	<u>Expiration Date</u>
General	6.34	6.52	Not Applicable
Fire Protection	4.86	5.00	4/2031

State law requires the City to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until taxes are paid. After notice is given to the delinquent taxpayers, the City is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

3. Cash and Deposits

Cash includes demand deposits and interest-bearing demand 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 state in the union or the laws of the United States. Further, the City may deposit funds in time deposits or certificates of deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2023, the City's bank balance totaled \$8,057,749. Of this balance, \$750,000 was insured by federal deposit insurance, and \$7,307,749 was collateralized with securities held by the City's agent in the City's name.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

4. Accounts Receivable

The following is a summary of accounts receivable at June 30, 2023:

Class of Receivable	Governmental Activities	Business-Type Activities
Charges for services		
Sewer	\$ -	\$ 174,435
Gas	-	110,087
Garbage Fee	42,303	-
Law Enforcement	32,708	-
Fire Household	19,117	-
Due from tenant		
Section 8	585	-
Franchise taxes and other		
General	82,254	-
Total	\$ 176,967	\$ 284,522

The accounts receivable for the Sewer Utility fund is net of an allowance for doubtful accounts of \$13,100. The accounts receivable for the Gas Utility fund is net of an allowance for doubtful accounts of \$15,700. The accounts receivable for the Law Enforcement fund is net of an allowance for doubtful accounts of \$5,770. The accounts receivable for the Sales Tax fund is net of an allowance for doubtful accounts of \$6,140. The accounts receivable for the General Fund is net of an allowance for doubtful accounts of \$790.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

5. Due from Other Governments

Amounts due from other governments at June 30, 2023 consist of the following:

	Governmental Activities			Total Governmental Activities	Business- Type Activities	Total
	General Fund	Sales Tax Fund	Section 8 Housing		Sewerage District No. 1 Fund	
Ascension Parish Sales and Use Tax Authority	\$ -	\$ 603,880	\$ -	\$ 603,880	\$ -	\$ 603,880
United States Department of Homeland Security - FEMA	67,505	-	-	67,505	-	67,505
Louisiana Department of Transportation and Development	10,017	-	-	10,017	-	10,017
Beer Taxes from the State of Louisiana	1,412	-	-	1,412	-	1,412
Ascension Parish Fire Protection Grant	158,381	-	-	158,381	-	158,381
Ascension Parish Water Franchise Tax	17,396	-	-	17,396	-	17,396
Ascension Parish Sheriff City Court Fund	4,067	-	-	4,067	-	4,067
Louisiana Department of Culture, Recreation, and Tourism	11,000	-	-	11,000	-	11,000
Louisiana Office of Community Development	23,940	-	-	23,940	-	23,940
Assumption Parish	-	-	1,512	1,512	-	1,512
St. James Parish	-	-	-	-	2,433	2,433
	<u>\$293,718</u>	<u>\$ 603,880</u>	<u>\$ 1,512</u>	<u>\$ 899,110</u>	<u>\$ 2,433</u>	<u>\$ 901,543</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

6. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2023, are as follows:

Governmental Activities:

	Balance 6/30/2022	Additions	Deletions	Transfers	Balance 6/30/2023
Land	\$ 911,549	\$ -	\$ -	\$ -	\$ 911,549
Construction in progress	245,869	127,007	-	(310,438)	62,438
Capital assets, non-depreciable	<u>\$ 1,157,418</u>	<u>\$ 127,007</u>	<u>\$ -</u>	<u>\$ (310,438)</u>	<u>\$ 973,987</u>
Buildings and Improvements	\$ 14,692,383	\$ 23,702	\$ -	\$ 228,283	\$14,944,368
Furniture and Equipment	3,396,511	73,691	(119,947)	82,155	3,432,410
Capital assets, depreciable	18,088,894	97,393	(119,947)	310,438	18,376,778
Less: Accumulated depreciation	<u>(6,771,207)</u>	<u>(549,706)</u>	<u>119,813</u>	<u>-</u>	<u>(7,201,100)</u>
Net depreciable capital assets	<u>\$ 11,317,687</u>	<u>\$ (452,313)</u>	<u>\$ (134)</u>	<u>\$ 310,438</u>	<u>\$11,175,678</u>

For the year ended June 30, 2023, depreciation expense of \$549,706 was charged to the following functions:

General Government	\$ 48,469
Streets	234,538
Recreation	110,627
Public Safety	2,783
Fire	153,289
	<u>\$ 549,706</u>

With respect to governmental activities, the City has one incomplete construction project as of June 30, 2023 that is reported as construction in progress in the schedule above. The project is the City Generator Project. The City Generator Project consists of three generators, two of which were capitalized in the current year. Current year costs for this project were \$54,945. During the current year, the Lemann Center (Gym Side) Renovation Project and two generators were capitalized at costs of \$228,283 and \$82,155, respectively.

The majority of capital asset additions, other than the construction in progress, during the current year includes various vehicle accessories, firefighting equipment, and computer equipment.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

6. Capital Assets (continued)

Business-Type Activities:

	Balance 6/30/2022	Additions	Deletions	Transfers	Balance 6/30/2023
Land	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
Construction in progress	1,771,981	1,166,523	-	(2,340,802)	597,702
Capital assets, non-depreciable	<u>\$ 1,773,481</u>	<u>\$ 1,166,523</u>	<u>\$ -</u>	<u>\$ (2,340,802)</u>	<u>\$ 599,202</u>
Sewer System	\$ 16,743,621	\$ 30,437	\$ (9,670)	\$ 554,695	\$ 17,319,083
Gas Plant	2,306,523	32,315	(8,356)	1,786,107	4,116,589
Capital assets, depreciable	19,050,144	62,752	(18,026)	2,340,802	21,435,672
Less: Accumulated depreciation	<u>(10,468,138)</u>	<u>(422,529)</u>	<u>18,026</u>	<u>-</u>	<u>(10,872,641)</u>
Net depreciable capital assets	<u>\$ 8,582,006</u>	<u>\$ (359,777)</u>	<u>\$ -</u>	<u>\$ 2,340,802</u>	<u>\$ 10,563,031</u>

For the year ended June 30, 2023, depreciation expense was \$422,529. Construction in progress additions are mainly the result of costs incurred for sewer generator project and the Donaldsonville Natural Gas System Infrastructure Improvement project, which totaled \$674,374 and \$492,148, respectively in the current year. During the current year, the Natural Gas System Infrastructure Improvements Phase II project and several sewer generators were completed and capitalized at costs of \$1,786,107 and \$554,695, respectively.

7. Pension and Retirement Plans

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

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

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

FRS
3100 Brentwood Drive
Baton Rouge, Louisiana 70809
(225) 925-4060
www.ffret.com

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

7. Pension and Retirement Plans (continued)

Plan Descriptions:

Municipal Employees' Retirement System of Louisiana (MERS)

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

Firefighters' Retirement System (FRS)

The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing multiple-employer plan. The plan provides retirement, disability, and survivor benefits to eligible state employees as defined in LRS 11:2252. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:1801-1805.

Funding Policy

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

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2023, for the City and covered employees were as follows:

	City	Employees
Municipal Employees' Retirement System Plan B		
Members hired prior to 01/01/2013	15.50%	5.00%
Members hired after 01/01/2013	15.50%	5.00%
Firefighters' Retirement System		
Employees receiving compensation above poverty guidelines of US Department of Health	33.25%	10.00%
Employees receiving compensation below poverty guidelines of US Department of Health	35.25%	8.00%

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

7. Pension and Retirement Plans (continued)

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

	2023	2022	2021
Municipal Employees' Retirement System Plan B	\$ 160,491	\$ 126,101	\$ 132,732
Firefighters' Retirement System	200,790	178,965	171,011

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

The following schedule lists the City's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2022 measurement date. The City uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2023 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2022 along with the change compared to the June 30, 2021 rate. The City's proportion of the Net Pension Liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2022	Rate at June 30, 2022	Increase (Decrease) to June 30, 2021 Rate
Governmental Activities:			
Municipal Employees' Retirement System Plan B	\$ 530,644	1.0430%	(0.0567%)
Firefighters' Retirement System	1,451,318	0.2058%	(0.0006%)
	<u>\$ 1,981,962</u>		

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

7. Pension and Retirement Plans (continued)

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

	Net Pension Liability at June 30, 2022	Rate at June 30, 2022	(Decrease) to June 30, 2021 Rate
Business-Type Activities:			
Municipal Employees' Retirement System Plan B	\$ 385,086	1.0430%	(0.0567%)
Firefighters' Retirement System	-		
	<u>\$ 385,086</u>		

The following schedule lists each pension plan's recognized pension expense of the City for the year ended June 30, 2023:

	Governmental Activities	Business-Type Activities
Municipal Employees' Retirement System Plan B	\$ 87,033	\$ 63,154
Firefighters' Retirement System	261,187	-
	<u>\$ 348,220</u>	<u>\$ 63,154</u>

The City recognized revenue that was allocated by each pension plan that represents payments from non-employer contributing entities that the Sheriff withholds from ad valorem taxes from each taxing district and allocated to each pension plan. For the year ended June 30, 2023, the City recorded allocated non-employer contributions from MERS of \$30,309 and FRS of \$58,589.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,674	\$ (80,060)
Changes of assumptions	129,465	-
Net difference between projected and actual earnings on pension plan investments	497,173	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	113,227	(93,533)
Employer contributions subsequent to the measurement date	361,281	-
Total	<u>\$ 1,109,820</u>	<u>\$ (173,593)</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

7. Pension and Retirement Plans (continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement System Plan B	\$ 338,990	\$ (47,090)
Firefighters' Retirement System	770,830	(126,503)
	<u>\$ 1,109,820</u>	<u>\$ (173,593)</u>

The City reported a total of \$361,281 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2022 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2024. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Municipal Employees' Retirement System Plan B	\$ 160,491
Firefighters' Retirement System	200,790
	<u>\$ 361,281</u>

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

Year	MERS	FRS	Total
2024	\$ 20,125	\$ 109,562	\$ 129,687
2025	17,593	87,742	105,335
2026	18,156	50,591	68,747
2027	75,535	200,704	276,239
2028	-	3,029	3,029
2029	-	(8,091)	(8,091)
	<u>\$ 131,409</u>	<u>\$ 443,537</u>	<u>\$ 574,946</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

7. Pension and Retirement Plans (continued)

Actuarial Assumptions (continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2022, are as follows:

	<u>MERS</u>	<u>FRS</u>
Valuation Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal
Actuarial Assumptions:		
Expected Remaining Service Lives	3 years	7 years
Investment Rate of Return	6.85% per annum, no change from previous year	6.90% per annum, no change from previous year
Inflation Rate	2.50% per annum	2.50% per annum
Mortality	For annuitant and beneficiary mortality tables used were: PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. For employees, PubG-2010(B) Employee Table set equal to 120% for males and females, adjusted using their respective male and female MP2018 scales. For disabled annuitants, PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.	For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees. For annuitants and beneficiaries, mortality was set equal to the Pub- 2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees. For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for safety Disabled Retirees. In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.
Salary Increases	Vary from 7.40% in the first four years of service to 4.90% after 4 years.	Vary from 14.10% in the first two years of service to 5.20% after 3 years.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

7. Pension and Retirement Plans (continued)

Actuarial Assumptions (continued)

Cost of Living Adjustments

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

Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to RS:241, the board may also grant and increase based on a formula equal to up to \$1 times the total numbers of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. If there are not sufficient funds to fund the benefit at the rate of one dollar per year for such total number of years, then the rate shall be reduced in proportion to the amount of funds that are available to fund the cost-of-living adjustment.

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

MERS

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.6% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 6.85% for the year ended June 30, 2022.

FRS

The estimated long-term expected rate of return on pension plan investments was determined using the System's target asset allocation as of January 2022 and the G.S. Curran & Company Consultant average study for 2022. The actuary's method uses information from multiple consultants and investment firms regarding future expected rates of return, variances, and correlation coefficients for each asset class. The actuary's method integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

7. Pension and Retirement Plans (continued)

Actuarial Assumptions (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the retirement systems target asset allocations as of June 30, 2022:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	MERS	FRS	MERS	FRS
Public equity	53.0%	-	2.31%	-
Equity	-	-	-	-
U.S. Equity	-	27.5%	-	5.64%
Non-U.S. Equity	-	11.5%	-	5.89%
Global Equity	-	10.0%	-	5.99%
Emerging Markets	-	7.0%	-	7.75%
Public fixed income	38.0%	-	1.65%	-
Fixed Income	-	26.0%	-	4.24%
Alternatives	9.0%	-	0.39%	-
Real Estate	-	6.0%	-	4.57%
Private Equity	-	9.0%	-	8.99%
Real Assets	-	3.0%	-	4.89%
Multi-Asset Strategies				
Global Tactical Asset Allocation	-	-	-	3.14%
Risk Parity	-	-	-	3.14%
Totals	<u>100.0%</u>	<u>100.0%</u>		

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and FRS was 6.85% and 6.90%, respectively for the year ended date June 30, 2022.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

7. Pension and Retirement Plans (continued)

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
<u>MERS</u>			
Rates	5.85%	6.85%	7.85%
City of Donaldsonville’s Share of NPL	\$ 1,248,314	\$ 915,730	\$ 634,443
<u>FRS</u>			
Rates	5.90%	6.90%	7.90%
City of Donaldsonville’s Share of NPL	\$ 2,147,064	\$ 1,451,318	\$ 871,017

Payables to the Pension Plan

The City recorded accrued liabilities to each of the Retirement Systems for the year ended June 30, 2023 mainly due to the accrual for payroll at the end of the fiscal year. The amounts due are included in liabilities under the amounts reported as accrued payables. The balance due to each for the retirement systems at June 30, 2023 is as follows:

	<u>June 30, 2023</u>
MERS	\$ 11,643
FRS	4,809
	<u>\$ 16,452</u>

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

8. Postemployment Health Care Benefits

General Information about the Other Postemployment Benefit (OPEB) Plan

Plan description – The City provides certain continuing health care and life insurance benefits for its retired employees. The City’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical and dental benefits are provided through a comprehensive health plan and are made available to employees upon actual retirement. The employees are covered by several retirement systems with similar eligibility provisions. In the absence of specific details about which employees are covered by each system, the following retirement eligibility (D.R.O.P. entry) provisions were used as representative of the eligibility: 25 years of service at any age; or, age 60 and 10 years of service if earlier; or, for employees hired after January 1st, 2013, the earliest of age 55 and 30 years of service, age 62 and 10 years of service, and age 67 with 7 years of service.

Employees covered by benefit terms – At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	28
	<u>31</u>

Total OPEB Liability

The City’s total OPEB liability of \$649,837 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions and other inputs – The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%, including inflation
Prior discount rate	3.54%
Discount rate	3.65% annually
Healthcare cost trend rates	5.50% annually until year 2032, then 4.50%
Mortality	SOA RP-2014 Combined Mortality Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2023, the end of the applicable measurement period.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

8. Postemployment Health Care Benefits (continued)

Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 617,901
Changes for the year:	
Service cost	5,030
Interest	21,963
Differences between expected and actual experience	21,598
Changes in assumptions	(6,423)
Benefit payments and net transfers	(10,232)
Net changes	31,936
Balance at June 30, 2023	\$ 649,837

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 (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	1.0% Decrease (2.65%)	Current Discount Rate (3.65%)	1.0% Increase (4.65%)
Total OPEB liability	\$ 712,600	\$ 649,837	\$ 594,608

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 (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 595,683	\$ 649,837	\$ 711,056

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$64,929. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 133,513	\$ -
Changes in assumptions	51,998	(52,112)
Total	\$ 185,511	\$ (52,112)

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

8. Postemployment Health Care Benefits (continued)

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to OPEB** (continued)

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

<u>Year Ending June 30</u>	
2024	\$ 37,937
2025	37,937
2026	37,937
2027	8,851
2028	3,158
Thereafter	7,579
	<u>\$ 133,399</u>

9. Long-Term Liabilities

The following is a summary of long-term debt transactions for the year ended June 30, 2023:

	<u>Payable June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Payable June 30, 2023</u>	<u>Amount due within one year</u>
<u>Governmental activities:</u>					
Direct borrowing and placement of debt:					
Sales Tax Revenue Bonds, Series 2016	\$ 440,000	\$ -	\$ 80,000	\$ 360,000	\$ 85,000
2018 Limited Tax Revenue Bonds, Fire Protection	769,000	-	64,000	705,000	66,000
Sales Tax Revenue Bonds, Series 2020A	2,145,000	-	170,000	1,975,000	170,000
Taxable Sales Tax Refunding Bond, Series 2020B	645,000	-	45,000	600,000	50,000
Financed asset	175,772	-	68,242	107,530	-
Other long-term liabilities: Compensated absences	41,605	80,807	79,250	43,162	43,162
Total	<u>\$ 4,216,377</u>	<u>\$ 80,807</u>	<u>\$ 506,492</u>	<u>\$3,790,692</u>	<u>\$ 414,162</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

9. Long-Term Liabilities (continued)

	Payable June 30, 2022	<u>Additions</u>	<u>Deletions</u>	Payable June 30, 2023	Amount due within one year
<u>Business-type activities:</u>					
Direct borrowing and placement of debt:					
Gas Revenue Bonds, Series 2009	\$ 646,415	\$ -	\$ 40,369	\$ 606,046	\$ 42,170
Sewer Revenue Bonds, Series 2010	765,000	-	74,000	691,000	74,000
Sewer Revenue Bonds, Series 2016	6,151,169	-	260,000	5,891,169	275,000
Other long-term liabilities:					
Compensated absences	14,665	12,012	12,449	14,228	14,228
Total	<u>\$ 7,577,249</u>	<u>\$ 12,012</u>	<u>\$ 386,818</u>	<u>\$7,202,443</u>	<u>\$405,398</u>

Direct borrowings, placements and other debt at June 30, 2023 are comprised of the following individual issues:

GOVERNMENTAL ACTIVITIES

Direct borrowing and placement:

Revenue bonds:

Sales Tax Revenue Bonds, Series 2016

\$800,000 sales tax revenue bonds dated November 22, 2016, were issued for road improvements. Principal is payable October 1 and interest payable April 1 and October 1 at the rate of 2.6125 percent per annum. The bonds mature on October 1, 2026. The outstanding note is secured by a special one-half of one percent sales and use tax. Events of default are outlined in the transcript of the Sales Tax Bonds, Series 2016A and include principal and interest payment delinquencies, unscheduled draws on debt service reserves; unscheduled draws on credit enhancements; substitution of credit or liquidity providers; adverse tax opinions; modifications to rights of bondholders; bond calls; defeasances; release or sale of property securing repayment of the bonds; rating changes; bankruptcy; merger or consolidation; appointment of a successor or additional paying agent.

\$ 360,000

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

9. Long-Term Liabilities (continued)

GOVERNMENTAL ACTIVITIES (continued)

Direct borrowing and placement: (continued)

Revenue Bonds: (continued)

2018 Limited Tax Revenue Bonds, Fire Protection

\$1,000,000 limited tax bonds dated July 24, 2018, were issued for fire protection. Principal is payable March 1 and interest payable April 1 and September 1 at the rate of 3.684 percent per annum. The bonds mature on October 1, 2032. The outstanding note is secured by a special tax of 5 mills. Events of default are outlined in the transcript of the 2018 Limited Tax Revenue Bonds and include principal and interest payment delinquencies; unscheduled draws on debt service reserves; unscheduled draws on credit enhancements; substitution of credit or liquidity providers; adverse tax opinions; modifications to rights of bondholders; bond calls; defeasances; release or sale of property securing repayment of the bonds; rating changes; bankruptcy; merger or consolidation; appointment of a successor or additional paying agent.

\$ 705,000

Sales Tax Revenue Bonds, Series 2020A

\$2,310,000 sales tax revenue bonds dated August 4, 2020, were issued for road improvements. Principal is payable October 15 and interest payable April 15 and October 15 at the rate of 2.89 percent per annum. The bonds are scheduled to mature on October 1, 2032. The outstanding note is secured by a special one-half of one percent sales and use tax.

1,975,000

Taxable Sales Tax Refunding Bonds, Series 2020B

\$690,000 sales tax revenue bonds dated August 4, 2020, were issued for purposes of refinancing the Sales Tax Revenue Bonds, Series 2012. Principal is payable October 15 and interest payable April 15 and October 15 at the rate of 3.95 percent per annum. The bonds are scheduled to mature on October 1, 2032. The outstanding note is secured by a special one-half of one percent sales and use tax.

600,000

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

9. Long-Term Liabilities (continued)

GOVERNMENTAL ACTIVITIES (continued)

Direct borrowing and placement: (continued)

Financed Asset Liability

\$175,772 financed purchase loan dated July 16, 2021, was issued for purposes of financing the purchase of a firetruck. Principal is payable on September 16, 2022, and July 16 thereafter. Interest is payable on the same dates at the rate of 1.89 percent per annum. The loan is scheduled to mature on July 16, 2026. Events of default are outlined in the purchase agreement and include failure to make any payment as it becomes due; failure to perform any of the obligations of the agreement; failure to perform or observe any other covenant, condition, or agreement; any statement or representation proven to be false, misleading, or erroneous in any material respect; application for or consent to the appointment of receiver, trustee, conservator, or liquidator of all or a substantial part of assets; petition for relief is filed under any federal or state bankruptcy; and default in any other loan.

107,530
\$ 3,747,530

The annual requirements to amortize all debt outstanding as of June 30, 2023 is as follows:

<u>Year Ending June 30</u>	<u>Direct borrowing and placement:</u>				
	<u>Sales Tax Revenue Bonds, Series 2016</u>	<u>2018 Limited Tax Revenue Bonds, Fire Protection</u>	<u>Sales Tax Revenue Bonds, Series 2020A</u>	<u>Taxable Sales Tax Refunding Bonds, Series 2020B</u>	<u>Financed Asset Liability</u>
	<i>Principal payments</i>				
2024	\$ 85,000	\$ 66,000	\$ 170,000	\$ 50,000	\$ -
2025	90,000	69,000	180,000	50,000	35,174
2026	90,000	72,000	185,000	55,000	35,839
2027	95,000	75,000	185,000	60,000	36,517
2028	-	78,000	195,000	60,000	-
2029-2033	-	345,000	1,060,000	325,000	-
Total Principal	<u>360,000</u>	<u>705,000</u>	<u>1,975,000</u>	<u>600,000</u>	<u>107,530</u>
	<i>Interest payments</i>				
2024	8,461	26,528	54,621	22,713	-
2025	6,151	24,218	49,563	20,648	2,032
2026	3,752	21,458	44,289	18,664	1,368
2027	1,274	18,578	38,943	16,393	690
2028	-	16,328	33,452	14,023	-
2029-2033	-	35,038	78,464	32,884	-
Total Interest	<u>19,638</u>	<u>142,148</u>	<u>299,332</u>	<u>125,325</u>	<u>4,090</u>
Total Principal and Interest	<u>\$ 379,638</u>	<u>\$ 847,148</u>	<u>\$ 2,274,332</u>	<u>\$ 725,325</u>	<u>\$ 111,620</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

9. Long-Term Liabilities (continued)

BUSINESS-TYPE ACTIVITIES

Direct borrowing and placement:

Revenue Bonds:

Gas Revenue Bonds Series 2009

\$1,113,000 in gas revenue bonds dated September 23, 2009, were issued to fund major gas line improvements. These bonds are payable over thirty years with monthly payments of \$5,654 including interest at 4.375 percent. The bonds mature on September 23, 2039. The outstanding bond is secured by the income and revenue derived or to be derived from the operation of the Gas Distribution System. Events of default include default on the payment of the interest on or principal of the Bond; the default of the establishment and maintenance of a sinking fund, reserve fund, contingency fund, and short-lived asset fund which requires monthly scheduled transfers by the 20th of the month. The bond is subject to prepayment at any time at a price equal to the principal amounts thereof advanced to the Issuer plus accrued interest to the date of prepayment.

\$ 606,046

Sewer Revenue Bonds Series 2010

\$1,472,300 Sewer Revenue Bonds authorized, of which \$136,511 was issued, dated March 17, 2011. During the Permanent Loan Period principal will be payable July 1 and interest will be payable January 1 and July 1 at the rate of 0.45 percent per annum. The project is still in the construction phase and the final amortization requirements have not been determined. Currently, principal is payable July 1 and interest is payable on January 1 and July 1 at the rate of 0.95 percent per annum. The bonds are scheduled to mature on July 1, 2031. However, based upon the amounts advanced, the bonds will mature on July 1, 2025. This bond is secured by the income and revenues derived or to be derived from the operation of the System. Events of default include failure by the City to pay the principal of or interest on the Bonds; failure by the City to pay the Admin Fee; failure by the City to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under the loan agreement, which failure shall continue for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the City; if any representation made by or on behalf of the City with reference to the loan is determined to be false or misleading; if a petition is filed by or against the City under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this loan agreement or hereafter enacted, unless in the case of any such petition filed against the City such petition shall be dismissed within 30 days after such filing and such dismissal shall be final and not subject to appeal. The bond is subject to prepayment.

691,000

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

9. Long-Term Liabilities (continued)

BUSINESS-TYPE ACTIVITIES (continued)

Direct borrowing and placement: (continued)

Revenue Bonds: (continued)

Sewer Revenue Bonds Series 2016

\$7,156,000 Sewer Revenue Bonds authorized. During the Permanent Loan Period principal will be payable July 1 and interest will be payable January 1 and July 1 at the rate of 0.45% per annum. The project is still in the construction phase and the final amortization requirements have not been determined. Currently, principal is payable July 1 and interest is payable on January 1 and July 1 at the rate of 0.45 percent per annum. The bonds are scheduled to mature on July 1, 2036. This bond is secured by the income and revenues derived or to be derived from the operation of the System. Events of default include failure by the City to pay the principal or interest on the Bonds, which failure shall continue for a period of 30 days after written notice specifying such failure and requesting that it be remedied; if any representation made by or on behalf of the City with reference to the loan is determined to be false or misleading; if the City shall become insolvent or bankrupt. The bond is subject to prepayment.

\$ 5,891,169
\$ 7,188,215

The annual requirements to amortize all debt outstanding as of June 30, 2023 is as follows:

Year Ending June 30	Direct borrowing and placement:		
	Gas Revenue Bonds, Series 2009	Sewer Revenue Bonds, Series 2010	Sewer Revenue Bonds, Series 2016
	<i>Principal payments</i>		
2024	\$ 42,170	\$ 74,000	\$ 275,000
2025	44,053	75,000	290,000
2026	46,019	76,000	300,000
2027	48,074	76,000	310,000
2028	50,219	77,000	340,000
2029-2033	286,792	313,000	1,855,000
2034-2038	88,719	-	2,521,169
Total Principal	<u>606,046</u>	<u>691,000</u>	<u>5,891,169</u>
	<i>Interest payments</i>		
2024	27,678	2,943	25,892
2025	23,796	2,608	24,620
2026	21,829	2,268	23,293
2027	19,775	1,926	21,920
2028	17,629	1,582	20,458
2029-2033	52,450	2,833	77,798
2034-2038	2,782	-	27,879
Total Interest	<u>165,939</u>	<u>14,160</u>	<u>221,860</u>
Total Principal and Interest	<u>\$ 771,985</u>	<u>\$ 705,160</u>	<u>\$ 6,113,029</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

10. Contracted Services

The City has a contract with the Ascension Parish Sheriff in which the Sheriff provides law enforcement services to the City. For the year ended June 30, 2023, the City expended \$1,068,634 to the Sheriff for these services. On July 1, 2012, a contract was negotiated resulting in the following future minimum payments which are adjusted annually for increases or decreases in the actual cost of operations:

2024	\$	<u>1,014,134</u>
------	----	------------------

Additionally, the City has contracted with Republic Services of Houma for sanitation disposal services. This contract is based on the number of residences and small commercial units using this service and is renewable yearly. The City pays for sanitation disposal services for all residences within the City. The residences and small commercial units pay a monthly \$14 user fee to the City as a reimbursement for part of the cost incurred. For the year ended June 30, 2023, the City incurred \$380,200 of net sanitation disposal expenditures resulting from this contract.

11. Dedicated Revenue

Sales Tax Revenue Fund

Proceeds of the 1% sales and use tax were dedicated to the following purposes:

Construction, repair, maintenance and operations of streets, sidewalks, drainage, and for garbage collection; for the construction, maintenance and operation of public utilities, or gas, water and sewerage; for the establishment, maintenance, replacement and operation of parks and recreational facilities; for the maintenance and operation of the Police and Fire Departments as well as the purchase of equipment for the Police and Fire Departments; and finally for the maintenance and operation of any department of the City, title to which shall be in the public.

Effective March 1, 1984, an additional 1/2% sales and use tax was dedicated for the maintenance and operation of garbage and trash collection department and operation and maintenance of the sewerage district with maintenance to include purchase of equipment.

Effective January 1, 1997, an additional 1/2% sales and use tax was dedicated for providing law enforcement services to the City.

Effective July 1, 2012, an additional 1/2% sales and use tax was dedicated for the purpose of constructing and maintaining roads, streets, bridges and sidewalks, and other infrastructure and works of public improvement for the City, with the proceeds of the tax to be subject to being funded into bonds for any of the aforesaid capital purposes.

HUD - Section 8

The City has a continuing grant from HUD. The grant proceeds can only be used to operate the Section 8 program.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

12. Restricted Assets

Governmental Activities

The City levied 5.00 mills for the purpose of Fire Protection that expire in April 2031. At June 30, 2023, the City has \$176,626 in restricted cash per this millage.

The City has restricted cash in the amount of \$1,220,286 that is generated from the proceeds of an additional ½% sales and use tax. These funds are restricted for public improvements.

Unspent bond proceeds of \$502,823 derived from the Series 2020A Sales Tax Bond remains in restricted cash at June 30, 2023.

The City has restricted cash in the amount of \$196,063 received from the State of Louisiana. These funds are restricted for tourism.

The City has restricted cash in the amount of \$1,157,388 to be used for the payment of principal and interest on outstanding bond issuances.

In accordance with the indentures governing the Sales Tax Revenue Bonds, Series 2016, Series 2020A, and Series 2020B, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Debt Service Fund and are serviced by the earnings from the Sales Tax Fund. Deposits are made to these trust funds in accordance with the requirements of the Sinking Fund.

- The “Sales Tax Bond Sinking Fund-2016” requires that the issuer shall deposit in the Sinking Fund sufficient in amount to pay promptly and fully the principal of and the interest on the Bond and any pari passu bonds issued thereafter, as they severally become due and payable, by transferring from funds in the Sales Tax Fund monthly in advance on or before the 20th day of each month of each year, a sum equal one-sixth of the interest falling due on the next principal payment date and one-twelfth of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay such principal and interest as the same respectively become due.
- The “Sales Tax Bond Sinking Fund-2012” is required by the Sales Tax Revenue Bonds, Series 2020A and 2020B. These issuances require that the issuer shall deposit in the Sinking Fund sufficient in amount to pay promptly and fully the principal of and the interest on the Bond and any pari passu bonds issued thereafter, as they severally become due and payable, by transferring from funds in the Sales Tax Fund monthly in advance on or before the 20th day of each month of each year, a sum equal one-sixth of the interest falling due on the next principal payment date and one-twelfth of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay such principal and interest as the same respectively become due.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

12. Restricted Assets (continued)

Governmental Activities (continued)

<u>Sales Tax Revenue Bonds</u>	<u>Sinking Fund</u>
Required balances, Series 2016	\$ 66,144
Required balances, Series 2020A	141,769
Required balances, Series 2020B	<u>43,425</u>
Total required balance	251,338
Actual balances	<u>1,131,359</u>
Excess	<u>\$ 880,021</u>

In accordance with the indenture governing the Limited Tax Bonds, Series 2018 Fire Protection, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Debt Service Fund and are serviced by the earnings from the General Fund. Deposits are made to these trust funds in accordance with the requirements of the Sinking Fund.

- The “Sinking Fund” requires that the issuer shall deposit in the Sinking Fund at least three days in advance of the date on which each payment of principal and/or interest falls due, funds fully sufficient to promptly pay the maturing principal and/or interest on the Bonds falling due on that date.

<u>Limited Tax Bonds, Series 2018 Fire Protection</u>	<u>Sinking Fund</u>
Required balances	\$ -
Actual balances	<u>24,275</u>
Excess	<u>\$ 24,275</u>

Business-type Activities

Ordinance 2018-05 requires the gas customers to be billed \$0.51 per one thousand cubic feet of gas (MCF) for capital improvements and \$0.80 per MCF for a reserve for contingencies. At June 30, 2023, the City had \$88,254 and \$609,786 in restricted cash for capital improvements and reserve for contingencies, respectively.

At June 30, 2023, the City has \$375,562 restricted for the refunding of customer meter deposits, which includes both gas and sewer deposits.

In accordance with the indenture governing the 2009 Gas Revenue Bonds, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Gas Enterprise Fund and are serviced by the earnings from the Fund. Deposits are made to these trust funds in accordance with the requirements of each.

- The “Gas Revenue Bond and Interest Sinking Fund” requires that the issuer shall deposit in the Sinking Fund sufficient in amount to pay promptly and fully the principal of and the interest on the Bond authorized herein and any pari passu bonds issued hereafter in the manner provided by transferring from the Revenue Fund to the regularly designated fiscal agent bank of the issuer, monthly in advance on or before the 20th day of each month of each year, a sum equal to the total amount of principal and interest falling due on the next principal and interest payment date for the Bonds together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due; provided, however, that to the extent that proceeds of the Bond are expended to pay interest accruing during the period the Project is under construction, then the monthly transfers from the Revenue Fund to the Sinking fund are to be correspondingly reduced.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

12. Restricted Assets (continued)

Business-type Activities (continued)

- The “Gas Bond Reserve Fund” requires that the issuer shall transfer from the Revenue Fund, monthly in advance on or before the 20th day of each month of each year, a sum, beginning with the first month following completion of the improvements and extensions to the System financed with the proceeds of the bond, a sum of at least 5% of the amount to be paid into the Sinking Fund, the payments into the Reserve Fund to continue until such time as there has been accumulated in the Reserve Fund a sum equal to the highest combined principal and interest falling due in any succeeding fiscal year on the Bond as a Debt Service Reserve, the money in the Reserve Fund to be retained solely for the purpose of paying the principal and interest on bonds payable from the Sinking Fund as to which there would otherwise be default.
- The “Gas Depreciation and Contingency Fund” to care for depreciation, extensions, additions, improvements and replacements necessary to operate properly the System, by transferring from the Revenue Fund to the regularly designated fiscal agent bank of the issuer, monthly in advance on or before the 20th day of each month of each year beginning with the first month following completion of the improvements and extensions to the System financed with the proceeds of the Bond, a sum equal to 5% of the amount being paid into the Sinking Fund. Upon the Reserve Fund being funded to the Reserve Requirement, the monthly payments into the Contingency Fund shall increase to an amount equal to 10% of the monthly sum being paid into the Sinking Fund, said payment to continue over the life of the Bonds. Money in the Contingency Fund shall also be used to pay the principal of and the interest on any bond for the payment of which there is not sufficient money in the Sinking Fund or the Reserve Fund, but if so used, such money shall be replaced by the issuer.
- The “Gas System Short Lived Assets Depreciation Fund” to provide for the maintenance and replacement of short lived assets of the System, by transferring from the Revenue Fund to the regularly designated fiscal agent to the issuer, monthly in advance on or before the 20th day of each month of each year commencing with the month following completion of an acceptance of the improvements and extensions financed with the proceeds of the bond, a sum of \$924 for a period of fifteen years.

The balances required in the sinking funds and reserve funds from a strict interpretation of Bond Resolution as compared to actual balances, are reflected in the following schedules:

Gas Revenue Bonds Series 2009	Sinking Fund	Revenue Reserve Fund	Depreciation and Contingency Fund	Short-Lived Assets Depreciation Fund	Total
Required balances	\$ 5,654	\$ 45,735	\$ 33,495	\$ 152,460	\$ 237,344
Actual balances	13,056	50,355	39,565	159,931	262,907
Excess	<u>\$ 7,402</u>	<u>\$ 4,620</u>	<u>\$ 6,070</u>	<u>\$ 7,471</u>	<u>\$ 25,563</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

12. Restricted Assets (continued)

Business-type Activities (continued)

In accordance with the indenture governing the 2010 Sewer Revenue Bonds, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Sewer Enterprise Fund and are serviced by the earnings from the Fund. Deposits are made to these trust funds in accordance with the requirements of each.

- The “Sewer Revenue Bond Sinking Fund” requires that the issuer shall deposit in the Sinking Fund sufficient in amount to pay promptly and fully the principal of and the interest on the Bond and the Outstanding Parity Bonds, as they severally become due and payable, by transferring from funds in the Sewer Revenue Fund monthly in advance on or before the 20th day of each month of each year, a sum equal one-sixth of the interest falling due on the next principal payment date and one-twelfth of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay such principal and interest as the same respectively become due.
- The “Sewer Revenue Bond Debt Service Reserve Fund” requires that the issuer shall transfer from the Revenue Fund, monthly in advance on or before the 20th day of each month of each year, a sum equal to 20% of the amount to be paid into the Sinking Fund. The Reserve Fund is required to be funded in an amount equal to one-half the highest combined principal and interest requirements for any succeeding bond year on the Bonds.
- The “Sewer System Renewal and Replacement Fund” requires that the issuer shall transfer from the Revenue Fund, monthly in advance on or before the 20th day of each month of each year, a sum equal to 5% of the amount being paid into the Sinking Fund. Upon the Reserve Fund being funded to the Reserve Requirement, the monthly payments into the Contingency Fund shall increase to an amount equal to 10% of the monthly sum being paid into the Sinking Fund, said payment to continue over the life of the Bonds.

The balances required in the sinking fund, reserve fund, and renewal and replacement fund from a strict interpretation of Bond Resolution as compared to actual balances, are reflected in the following schedules:

Sewer Revenue Bonds Series 2010	Sinking Fund	Revenue Reserve Fund	Renewal and Replacement Fund	Total
Required balances	\$ 77,283	\$ 39,767	\$ 83,448	\$ 200,498
Actual balances	77,283	39,774	93,755	210,812
Excess	\$ -	\$ 7	\$ 10,307	\$ 10,314

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

12. Restricted Assets (continued)

Business-type Activities (continued)

In accordance with the indenture governing the 2016 Sewer Revenue Bonds, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Sewer Enterprise Fund and are serviced by the earnings from the Fund. Deposits are made to these trust funds in accordance with the requirements of each.

- The “Sewer Revenue Bond Sinking Fund” requires that the issuer shall deposit in the Sinking Fund sufficient in amount to pay promptly and fully the principal of and the interest on the Bond and the Outstanding Parity Bonds, as they severally become due and payable, by transferring from funds in the Sewer Revenue Fund monthly in advance on or before the 20th day of each month of each year, a sum equal one-sixth of the interest falling due on the next principal payment date and one-twelfth of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay such principal and interest as the same respectively become due.
- The “Sewer Revenue Bond Debt Service Reserve Fund” requires that the issuer shall transfer from the Revenue Fund, monthly in advance on or before the 20th day of each month of each year, a sum equal to one-half of the highest combined principal and interest requirements for any succeeding bond year on the Bonds.
- The “Sewer System Renewal and Replacement Fund” requires that the issuer shall transfer from the Revenue Fund, monthly in advance on or before the 20th day of each month of each year, a sum equal to 5% of the amount being paid into the Sinking Fund. Upon the Reserve Fund being funded to the Reserve Requirement, the monthly payments into the Contingency Fund shall increase to an amount equal to 10% of the monthly sum being paid into the Sinking Fund, said payment to continue over the life of the Bonds.

The balances required in the sinking fund, reserve fund, and renewal and replacement fund from a strict interpretation of Bond Resolution as compared to actual balances, are reflected in the following schedules:

Sewer Revenue Bonds Series 2016	Sinking Fund	Revenue Reserve Fund	Renewal and Replacement Fund	Total
Required balances	\$ 302,983	\$ 264,106	\$ 104,691	\$ 671,780
Actual balances	329,944	285,443	114,851	730,238
Excess	\$ 26,961	\$ 21,337	\$ 10,160	\$ 58,458

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

13. Interfund Receivables and Payables

The following schedule as of represents interfund receivables and payables:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental Activities:</u>		
General Fund		
Gas Fund	\$ 430,297	\$ -
Sewer Fund	-	355,661
Sales Tax Fund	-	4,816
Section 8 Fund	25,989	-
Law Enforcement Fund	-	410,693
Capital Projects Fund	-	100,341
Section 8 Fund		
General Fund	-	25,989
Sales Tax Fund		
Law Enforcement Fund	-	5,933
Sewer Fund	-	353,635
Gas Fund	-	99
General Fund	4,816	-
Capital Projects Fund	-	78,540
Law Enforcement Fund		
General Fund	410,693	-
Sales Tax Fund	5,933	-
Gas Fund	-	79,039
Debt Service Fund		
Sewer Fund	-	10,888
Capital Projects Fund	-	400,000
Capital Projects Fund		
General Fund	100,341	-
Sales Tax Fund	78,540	-
Debt Service Fund	400,000	-
Total governmental activities	<u>1,456,609</u>	<u>1,825,634</u>
<u>Business-Type Activities:</u>		
Sewer Fund		
Sales Tax Fund	353,635	-
Gas Fund	-	75,932
Debt Service Fund	10,888	-
General Fund	355,661	-
Gas Fund		
Law Enforcement Fund	79,039	-
General Fund	-	430,297
Sewer Fund	75,932	-
Sales Tax Fund	99	-
Total business-type activities	<u>875,254</u>	<u>506,229</u>
	<u>\$ 2,331,863</u>	<u>\$ 2,331,863</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

14. Transfers

Transfers for the year ended June 30, 2023 are as follows:

	TRANSFERS	
	<u>IN</u>	<u>OUT</u>
<u>Governmental Activities:</u>		
General Fund		
Sales Tax Fund	\$ 1,349,868	\$ -
Sewer Fund	-	226,480
Debt Service Fund	-	101,223
Sales Tax Fund		
General Fund	-	1,349,868
Sewer Fund	-	248,665
Law Enforcement Fund	-	674,935
Capital Projects Fund	-	682,367
Debt Service Fund		
General Fund	101,223	-
Capital Projects Fund	419,200	-
Capital Projects Fund		
Sales Tax Fund	682,367	-
Debt Service Fund	-	419,200
Law Enforcement Fund		
Sales Tax Fund	674,935	-
Total governmental activities	<u>3,227,593</u>	<u>3,702,738</u>
<u>Business-Type Activities:</u>		
Sewer Fund		
Sales Tax Fund	248,665	-
General Fund	226,480	-
Total business-type activities	<u>475,145</u>	<u>-</u>
	<u>\$ 3,702,738</u>	<u>\$ 3,702,738</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

15. Subsequent Events

Subsequent to year end, the City approved a change order related to the natural gas system infrastructure project for a total of \$42,000 in additional costs. Additionally, the City entered into several construction contracts for various projects for a total of approximately \$341,000.

On October 24, 2023, the City approved the issuance of a \$3,122,000 Sales Tax Revenue Bond, Series 2023.

On November 28, 2023, the City approved the issuance of a \$1,000,000 Grant Anticipation Note, Series 2023.

16. Leases

City as Lessor

The City is a lessor for a noncancellable lease of real property to an ambulance service company. The term of this lease is 10 years at equal monthly installments of \$750. In accordance with GASB Statement No. 87, *Leases*, a receivable has been recorded for the present value of lease payments to be received over the lease term of the agreement. As of June 30, 2023, the value of the lease receivable was \$62,634. Also, deferred inflows associated with this lease has been recorded and will be recognized as revenue over the lease term. The balance of the deferred inflows at June 30, 2023 was \$61,430. Inflows recognized during the year ended June 30, 2023 consisted of lease revenue of \$8,190 and interest income of \$1,336. Since the lease agreement includes scheduled payments over multiple years, the receivable balances include amounts not expected to be collected within the next year.

City as Lessee

The City does not have any lease agreements that are material in amount or meet the criteria for recognition and reporting in the financial statements as a right of use leased assets and lease liability at June 30, 2023.

17. Tax Abatement

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP"). In addition, the local government has the authority to grant sales tax rebates to taxpayers pursuant to the Enterprise Zone Tax Rebate Program ("EZ Program"). For the year ending June 30, 2023, the City did not participate in any tax abatement programs.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

18. Contingencies

At June 30, 2023, there is pending litigation against the City. In the opinion of management, the ultimate liabilities, if any, resulting from such lawsuits and claims, will not materially affect the financial position of the City.

The City received its allocated portion of the federal Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) enacted under the American Rescue Plan Act totaling \$3,124,467. The City incurred eligible expenditures on the CSLFRF allocation during 2022 and 2023 with the unspent amount received recorded as unearned revenue in the General Fund in the amount of \$1,195,570. The City expects to spend these funds during 2024 and subsequent years on eligible expenditures; however, these funds are subject to repayment to the United States Treasury if not spent on eligible activities or programs. The City received reimbursement from the Federal Emergency Management Agency (FEMA) in the amount of \$34,039; however, these funds are recorded as unearned revenue in the General Fund due to the project not commencing. These funds are also subject to repayment to FEMA if not spent on the reported project.

The City has incurred a loss on the impairment of an asset during the years ended June 30, 2005, and June 30, 2004. The tourist ship LePelican sank off the bank of the Mississippi River and has been deemed unsalvageable by the City. There may be additional costs incurred by the City to scrap the asset; however, this cost cannot be determined or estimated at this time.

19. Commitments

As of June 30, 2023, the City was committed to construction contract agreements totaling \$2,472,045. Of this amount, \$1,035,711 has not yet been expended.

20. Current Accounting Standards Scheduled to be Implemented

Following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the City's financial report:

GASB Statement 99, *Omnibus 2022*. This Statement is intended to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. For the requirements related to financial guarantees, the City will include the requirements of this standard, as applicable, in its June 30, 2024 financial statements. The effect of this standard or its applicability to the City are unknown at this time.

GASB Statement 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement 62*. This Statement is intended to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decision or assessing accountability. The City will include the requirement of this standard, as applicable, in its June 30, 2024 financial statements. The effect of this standard or its applicability to the City are unknown at this time.

GASB Statement 101, *Compensated Absences*. This Statement is intended to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The City will include the requirements of this standard, as applicable, in its June 30, 2025 financial statements. The effect of this standard or its applicability to the City are unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2023

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
REVENUES				
Taxes				
Ad valorem	\$ 335,000	\$ 353,700	\$ 353,082	\$ (618)
Public utility franchise	218,000	294,400	287,047	(7,353)
Cable TV franchise	96,000	83,900	83,138	(762)
Ascension Parish water franchise	68,000	43,100	88,524	45,424
Telephone franchise	10,000	10,000	11,074	1,074
Licenses and permits				
Occupational	125,000	135,000	131,320	(3,680)
Insurance	177,000	177,600	177,429	(171)
Other	13,500	17,500	15,463	(2,037)
Charges for services				
Fire household fee	230,400	230,000	229,389	(611)
Intergovernmental				
Department of Motor Vehicles	21,000	31,000	32,190	1,190
Fire insurance	-	52,000	45,881	(6,119)
Beer	8,000	6,600	5,594	(1,006)
Federal, state, and parish grants	224,000	3,151,517	590,464	(2,561,053)
Fines				
Court fines	50,300	52,900	54,514	1,614
Other revenues				
Hotel/motel tax	100,000	150,000	150,000	-
Miscellaneous	104,300	312,660	317,356	4,696
Interest	5,000	6,000	8,671	2,671
Rent - Lemann Center	21,000	6,000	5,200	(800)
Total revenues	<u>1,806,500</u>	<u>5,113,877</u>	<u>2,586,336</u>	<u>(2,527,541)</u>
EXPENDITURES				
Current:				
General government	966,760	1,367,335	1,277,765	89,570
Public safety	1,149,900	1,313,000	1,301,837	11,163
Streets and sanitation	672,100	865,400	873,278	(7,878)
Recreation	37,100	106,850	90,154	16,696
Capital outlay	46,000	256,300	224,400	31,900
Debt service	91,488	101,250	74,414	26,836
Total expenditures	<u>2,963,348</u>	<u>4,010,135</u>	<u>3,841,848</u>	<u>168,287</u>
Excess of revenues over (under) expenditures	<u>(1,156,848)</u>	<u>1,103,742</u>	<u>(1,255,512)</u>	<u>(2,359,254)</u>

(continued)
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CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,391,701	\$ 1,324,834	\$ 1,349,868	\$ 25,034
Transfers out	-	(594,100)	(327,703)	266,397
Total other financing sources	<u>1,391,701</u>	<u>730,734</u>	<u>1,022,165</u>	<u>291,431</u>
Change in fund balance	234,853	1,834,476	(233,347)	(2,067,823)
FUND BALANCE				
Beginning of year	<u>492,812</u>	<u>1,071,770</u>	<u>1,071,770</u>	<u>-</u>
End of year	<u>\$ 727,665</u>	<u>\$ 2,906,246</u>	<u>\$ 838,423</u>	<u>\$ (2,067,823)</u>

(concluded)

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

BUDGETARY COMPARISON SCHEDULE - SALES TAX FUND
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Taxes				
Sales tax revenues, net of discounts allowed	\$ 3,481,259	\$ 3,315,224	\$ 3,382,106	\$ 66,882
Charges				
User fee	468,000	482,167	481,454	(713)
Other	100	500	474	(26)
Total revenues	<u>3,949,359</u>	<u>3,797,891</u>	<u>3,864,034</u>	<u>66,143</u>
EXPENDITURES				
Current:				
Sanitation				
Garbage disposal	805,000	909,731	912,070	(2,339)
Bank fees	100	500	150	350
Bad debt	-	-	5,474	(5,474)
Miscellaneous	-	4,800	203	4,597
Capital Outlay				
Road improvements	697,857	665,355	-	665,355
Total expenditures	<u>1,502,957</u>	<u>1,580,386</u>	<u>917,897</u>	<u>662,489</u>
Excess of revenues over expenditures	<u>2,446,402</u>	<u>2,217,505</u>	<u>2,946,137</u>	<u>728,632</u>
OTHER FINANCING USES				
Transfers out	<u>(2,446,402)</u>	<u>(2,232,402)</u>	<u>(2,955,835)</u>	<u>(723,433)</u>
Total other financing uses	<u>(2,446,402)</u>	<u>(2,232,402)</u>	<u>(2,955,835)</u>	<u>(723,433)</u>
Change in fund balance	-	(14,897)	(9,698)	5,199
FUND BALANCE				
Beginning of year	-	195,162	195,162	-
End of year	<u>\$ -</u>	<u>\$ 180,265</u>	<u>\$ 185,464</u>	<u>\$ 5,199</u>

CITY OF DONALDSONVILLE

Donaldsonville, Louisiana

BUDGETARY COMPARISON SCHEDULE - SECTION 8 FUND

For the Year Ended June 30, 2023

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
REVENUES				
Intergovernmental				
HUD receipts	\$ 506,300	\$ 606,200	\$ 588,283	\$ (17,917)
Other	4,100	5,400	5,256	(144)
Total revenues	<u>510,400</u>	<u>611,600</u>	<u>593,539</u>	<u>(18,061)</u>
EXPENDITURES				
Current:				
Welfare				
Rent and utility assistance	470,500	525,800	525,045	755
General and administrative	37,200	61,500	71,628	(10,128)
Total expenditures	<u>507,700</u>	<u>587,300</u>	<u>596,673</u>	<u>(9,373)</u>
Excess of revenues over (under) expenditures	<u>2,700</u>	<u>24,300</u>	<u>(3,134)</u>	<u>(27,434)</u>
Change in fund balance	2,700	24,300	(3,134)	(27,434)
FUND BALANCE				
Beginning of year	-	53,364	53,364	-
End of year	<u>\$ 2,700</u>	<u>\$ 77,664</u>	<u>\$ 50,230</u>	<u>\$ (27,434)</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

BUDGETARY COMPARISON SCHEDULE - LAW ENFORCEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services				
User fee	\$ 386,000	\$ 375,980	\$ 375,480	\$ (500)
Other	500	100	103	3
	<u>386,500</u>	<u>376,080</u>	<u>375,583</u>	<u>(497)</u>
Total revenues				
	<u>386,500</u>	<u>376,080</u>	<u>375,583</u>	<u>(497)</u>
EXPENDITURES				
Current:				
Public Safety				
Sheriff contract	986,900	1,014,140	1,014,134	6
Other	500	800	5,043	(4,243)
	<u>987,400</u>	<u>1,014,940</u>	<u>1,019,177</u>	<u>(4,237)</u>
Total expenditures				
	<u>987,400</u>	<u>1,014,940</u>	<u>1,019,177</u>	<u>(4,237)</u>
Excess of revenues under expenditures	<u>(600,900)</u>	<u>(638,860)</u>	<u>(643,594)</u>	<u>(4,734)</u>
OTHER FINANCING SOURCES				
Operating transfers in	695,851	662,467	674,935	12,468
	<u>695,851</u>	<u>662,467</u>	<u>674,935</u>	<u>12,468</u>
Total other financing sources				
	<u>695,851</u>	<u>662,467</u>	<u>674,935</u>	<u>12,468</u>
Change in fund balance	94,951	23,607	31,341	7,734
FUND BALANCE				
Beginning of year	-	393,470	393,470	-
End of year	<u>\$ 94,951</u>	<u>\$ 417,077</u>	<u>\$ 424,811</u>	<u>\$ 7,734</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
June 30, 2023

Measurement Date	Service Cost	Interest	Difference between actual and expected experience	Changes of assumptions or other inputs	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered employee payroll	Total OPEB liability as a percentage of covered employee payroll
6/30/2023	\$ 5,030	\$ 21,963	\$ 21,598	\$ (6,423)	\$ (10,232)	\$ 31,936	\$ 617,901	\$ 649,837	\$ 1,159,340	56.05%
6/30/2022	\$ 2,793	\$ 13,360	\$ 57,551	\$ (58,931)	\$ (13,996)	\$ 777	\$ 617,124	\$ 617,901	\$ 1,125,573	54.90%
6/30/2021	\$ 2,149	\$ 12,634	\$ 20,300	\$ 21,154	\$ (9,719)	\$ 46,518	\$ 570,606	\$ 617,124	\$ 1,001,995	61.59%
6/30/2020	\$ 1,808	\$ 12,656	\$ 130,321	\$ 73,281	\$ (8,170)	\$ 209,896	\$ 360,710	\$ 570,606	\$ 972,811	58.66%
6/30/2019	\$ 14,282	\$ 12,756	\$ 1,228	\$ 13,821	\$ (3,840)	\$ 38,247	\$ 322,463	\$ 360,710	\$ 952,189	37.88%
6/30/2018, as restated	\$ 14,416	\$ 12,091	\$ 14,069	\$ (12,610)	\$ (3,515)	\$ 24,451	\$ 298,012	\$ 322,463	\$ 924,455	34.88%

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

See the accompanying notes to the Required Supplementary Information.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2023 (*)

	Employer's Proportion of the Net Pension Liability (Assets)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<u>MERS (Plan B)</u>					
2023	1.0430%	\$ 915,730	\$ 813,552	112.5595%	69.5600%
2022	1.0997%	637,044	860,307	74.0485%	79.1400%
2021	1.1179%	1,013,089	866,333	116.9399%	66.2607%
2020	1.0057%	879,766	760,293	115.7141%	66.1388%
2019	1.0833%	916,296	802,814	114.1355%	65.5981%
2018	1.0292%	890,526	763,956	116.5677%	63.4909%
2017	1.0108%	837,861	743,087	112.7541%	63.3376%
2016	1.0836%	736,498	746,588	98.6485%	68.7136%
2015	1.0716%	503,130	647,741	77.6746%	76.9413%
<u>FRS</u>					
2023	0.2058%	\$ 1,451,318	\$ 530,268	273.6952%	74.6800%
2022	0.2114%	749,195	530,270	141.2856%	86.7800%
2021	0.2105%	1,459,230	524,112	278.4195%	72.6117%
2020	0.1878%	1,138,284	451,498	252.1127%	73.9643%
2019	0.1950%	1,121,672	464,272	241.5980%	74.7634%
2018	0.1858%	1,065,258	427,756	249.0340%	73.5479%
2017	0.1876%	1,227,342	425,423	288.4992%	68.1550%
2016	0.1678%	905,754	357,599	253.2876%	72.4475%
2015	0.1802%	801,759	401,703	199.5900%	76.0151%

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

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

The two Retirement Systems reported in this schedule are as follows:
MERS (Plan B) = Municipal Employees' Retirement System
FRS = Firefighters' Retirement System

See the accompanying notes to the Required Supplementary Information.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2023

	<u>Contractually Required Contribution¹</u>	<u>Contributions in Relation to Contractually Required Contribution²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll³</u>	<u>Contribution as a % of Covered Payroll</u>
<u>MERS (Plan B)</u>					
2023	\$ 160,491	\$ 160,491	\$ -	\$ 1,035,424	15.500%
2022	126,101	126,101	-	813,552	15.500%
2021	132,732	132,732	-	860,307	15.428%
2020	121,204	121,204	-	866,333	13.990%
2019	106,441	106,441	-	760,293	14.000%
2018	106,373	106,373	-	802,814	13.250%
2017	84,184	84,184	-	763,956	11.000%
2016	70,592	70,592	-	743,087	9.500%
2015	70,926	70,926	-	746,588	9.500%
<u>FRS</u>					
2023	\$ 200,790	\$ 200,790	\$ -	\$ 603,879	33.250%
2022	178,965	178,965	-	530,268	33.750%
2021	171,011	171,011	-	530,270	32.250%
2020	145,441	145,441	-	524,112	27.750%
2019	119,647	119,647	-	451,498	26.500%
2018	123,032	123,032	-	464,272	26.500%
2017	108,008	108,008	-	427,756	25.250%
2016	115,928	115,928	-	425,423	27.250%
2015	104,598	104,598	-	357,599	29.250%

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

For reference only:

¹ Employer contribution rate multiplied by covered payroll

² Actual employer contributions remitted to MERS and FRS

³ Covered payroll amount for the fiscal year ended June 30 of each year

See the accompanying notes to the Required Supplementary Information.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

Changes of Benefit Terms include:

Municipal Employee's Retirement System (Plan B)

There were no changes of benefit terms for the years presented.

Firefighters' Retirement System

There were no changes of benefit terms for the years presented.

Changes of Assumptions:

Municipal Employee's Retirement System (Plan B)

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

Discount Rate:				Merit:			
Measurement				Measurement			
Year End	date	Rate	Change	Year End	date	Rate	Change
6/30/2023	6/30/2022	6.850%	0.000%	6/30/2023	6/30/2022	2.400%	0.000%
6/30/2022	6/30/2021	6.850%	-0.100%	6/30/2022	6/30/2021	2.400%	0.000%
6/30/2021	6/30/2020	6.950%	-0.050%	6/30/2021	6/30/2020	2.400%	0.275%
6/30/2020	6/30/2019	7.000%	-0.275%	6/30/2020	6/30/2019	2.125%	0.000%
6/30/2019	6/30/2018	7.275%	-0.525%	6/30/2019	6/30/2018	2.125%	0.000%
6/30/2018	6/30/2017	7.800%	0.300%	6/30/2018	6/30/2017	2.125%	0.000%
6/30/2017	6/30/2016	7.500%	0.000%	6/30/2017	6/30/2016	2.125%	0.000%
6/30/2016	6/30/2015	7.500%	-0.250%	6/30/2016	6/30/2015	2.125%	-0.625%
6/30/2015	6/30/2014	7.750%		6/30/2015	6/30/2014	2.750%	

Inflation Rate:				Investment rate of return:			
Measurement				Measurement			
Year End	date	Rate	Change	Year End	date	Rate	Change
6/30/2023	6/30/2022	2.500%	0.000%	6/30/2023	6/30/2022	6.850%	0.000%
6/30/2022	6/30/2021	2.500%	0.000%	6/30/2022	6/30/2021	6.850%	-0.150%
6/30/2021	6/30/2020	2.500%	0.000%	6/30/2021	6/30/2020	7.000%	0.000%
6/30/2020	6/30/2019	2.500%	-0.100%	6/30/2020	6/30/2019	7.000%	-0.280%
6/30/2019	6/30/2018	2.600%	-0.175%	6/30/2019	6/30/2018	7.280%	-0.120%
6/30/2018	6/30/2017	2.775%	-0.100%	6/30/2018	6/30/2017	7.400%	-0.100%
6/30/2017	6/30/2016	2.875%	0.000%	6/30/2017	6/30/2016	7.500%	0.000%
6/30/2016	6/30/2015	2.875%	-0.125%	6/30/2016	6/30/2015	7.500%	-0.250%
6/30/2015	6/30/2014	3.000%		6/30/2015	6/30/2014	7.750%	

Salary Increases:				Mortality table:			
Measurement				Measurement			
Year End	date	Rate		Year End	date	Table	
6/30/2023	6/30/2022	4.9% - 7.4% *		6/30/2023	6/30/2022	PubG-2010(B)	
6/30/2022	6/30/2021	4.9% - 7.4% *		6/30/2022	6/30/2021	PubG-2010(B)	
6/30/2021	6/30/2020	4.9% - 7.4% *		6/30/2021	6/30/2020	PubG-2010(B)	
6/30/2020	6/30/2019	4.9% - 7.4% *		6/30/2020	6/30/2019	PubG-2010(B)	
6/30/2019	6/30/2018	5.000%		6/30/2019	6/30/2018	RP-2000	
6/30/2018	6/30/2017	5.000%		6/30/2018	6/30/2017	RP-2000	
6/30/2017	6/30/2016	5.000%		6/30/2017	6/30/2016	RP-2000	
6/30/2016	6/30/2015	5.000%		6/30/2016	6/30/2015	RP-2000	
6/30/2015	6/30/2014	5.750%		6/30/2015	6/30/2014	RP-2000	

Firefighters' Retirement System

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

Inflation Rate:				Salary Increases:			
Measurement				Measurement			
Year End	date	Rate	Change	Year End	date	Rate	
6/30/2023	6/30/2022	2.500%	0.000%	6/30/2023	6/30/2022	5.2% - 14.10% *	
6/30/2021	6/30/2020	2.500%	0.000%	6/30/2021	6/30/2020	5.2% - 14.10% *	
6/30/2020	6/30/2019	2.500%	-0.200%	6/30/2020	6/30/2019	4.5% - 14.75% *	
6/30/2019	6/30/2018	2.700%	-0.075%	6/30/2019	6/30/2018	4.750%	
6/30/2018	6/30/2017	2.775%	-0.100%	6/30/2018	6/30/2017	4.750%	
6/30/2017	6/30/2016	2.875%	0.000%	6/30/2017	6/30/2016	4.750%	
6/30/2016	6/30/2015	2.875%	-0.125%	6/30/2016	6/30/2015	4.750%	
6/30/2015	6/30/2014	3.000%		6/30/2015	6/30/2014	5.500%	

Discount Rate:				Investment rate of return:			
Measurement				Measurement			
Year End	date	Rate	Change	Year End	date	Rate	Change
6/30/2023	6/30/2022	6.900%	0.000%	6/30/2023	6/30/2022	6.900%	0.000%
6/30/2022	6/30/2021	6.900%	-0.100%	6/30/2022	6/30/2021	6.900%	-0.100%
6/30/2021	6/30/2020	7.000%	-0.150%	6/30/2021	6/30/2020	7.000%	-0.150%
6/30/2020	6/30/2019	7.150%	-0.150%	6/30/2020	6/30/2019	7.150%	-0.150%
6/30/2019	6/30/2018	7.300%	-0.100%	6/30/2019	6/30/2018	7.300%	-0.100%
6/30/2018	6/30/2017	7.400%	-0.100%	6/30/2018	6/30/2017	7.400%	-0.100%
6/30/2017	6/30/2016	7.500%	0.000%	6/30/2017	6/30/2016	7.500%	0.000%
6/30/2016	6/30/2015	7.500%	0.000%	6/30/2016	6/30/2015	7.500%	0.000%
6/30/2015	6/30/2014	7.500%		6/30/2015	6/30/2014	7.500%	

* MERS - Salary increases 7.4% for 1 to 4 years of service and 4.9% for more than 4 years of service. FRS - Salary increases 14.10% in the first two years of service and 5.20% with 3 or more years of service (in 2019, salary increases ranged from 14.75% in the first two years of services to 4.5% with 25 or more years of service).

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

Changes in benefits terms and assumptions related to total other postemployment benefits liability

No assets are accumulated in a trust that meet the criteria of paragraph 4 of GASB 75 to pay related benefits.

Changes in benefit terms:

- 6/30/2023 There were no changes of benefit terms for the year ended June 30, 2023.
- 6/30/2022 There were no changes of benefit terms for the year ended June 30, 2022.
- 6/30/2021 There were no changes of benefit terms for the year ended June 30, 2021.
- 6/30/2020 There were no changes of benefit terms for the year ended June 30, 2020.
- 6/30/2019 There were no changes of benefit terms for the year ended June 30, 2019.
- 6/30/2018 There were no changes of benefit terms for the year ended June 30, 2018.

Changes in assumptions:

The changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used for in each measurement of total OPEB liability:

Measurement		Mortality Table	
Date	Discount Rate	Changes	Trend
6/30/2023	3.65%	RP-2014	Variable
6/30/2022	3.54%	RP-2014	Variable
6/30/2021	2.16%	RP-2014	Variable
6/30/2020	2.21%	RP-2014	Variable
6/30/2019	3.50%	RP-2000	5.50%
6/30/2018	3.87%	RP-2000	5.50%
6/30/2017	3.52%		

SUPPLEMENTARY INFORMATION

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

STATEMENT OF OPERATING EXPENSES - PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	Gas Utility Fund	Sewerage District No. 1	Total
EXPENSES			
Gas	\$ 600,512	\$ -	\$ 600,512
Depreciation and amortization	74,131	348,398	422,529
Field			
Personnel	241,555	65,529	307,084
Professional fees	67,197	164,729	231,926
Maintenance	75,065	164,305	239,370
Weed control and chemicals	6,077	21,342	27,419
Supplies	9,316	2,154	11,470
Oxidation testing	-	24,825	24,825
Utilities	1,681	188,540	190,221
Gas and oil	8,417	27,097	35,514
Uniforms	4,969	2,904	7,873
Rentals	1,545	6,394	7,939
Insurance	79,819	39,462	119,281
Training	4,055	933	4,988
Miscellaneous	8,248	6,136	14,384
Total field	<u>507,944</u>	<u>714,350</u>	<u>1,222,294</u>
Administration			
Personnel	105,720	75,603	181,323
Professional	37,333	44,457	81,790
Maintenance	110	-	110
Supplies	2,536	1,288	3,824
Postage	13,596	13,517	27,113
Bad debt	15,937	11,862	27,799
Computer and storage services	25,292	32,268	57,560
Utilities	9,793	9,793	19,586
Administrative fees	-	38,109	38,109
Miscellaneous	8,558	1,127	9,685
Rentals	2,631	2,632	5,263
Bank fees	23,066	5,116	28,182
Insurance	27,301	17,647	44,948
Total administration	<u>271,873</u>	<u>253,419</u>	<u>525,292</u>
Total operating expenses	<u>\$ 1,454,460</u>	<u>\$ 1,316,167</u>	<u>\$ 2,770,627</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
For the Year Ended June 30, 2023

Leroy Sullivan - Mayor	\$	16,200
Lauthaught A. Delaney, Sr. - Commissioner of District No. 1		8,985
Raymond Aucoin - Commissioner of District No. 2		8,985
Reginald Francis Sr. - Commissioner of District No. 3		8,985
Charles Brown - Commissioner of District No. 4		8,985
Mike Sullivan - Commissioner of District No. 5		<u>8,993</u>
Total	\$	<u><u>61,133</u></u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
For the Year Ended June 30, 2023

Mayor: Leroy Sullivan

Purpose

Salary	\$	16,200
Benefits - Insurance		22,050
Benefits - Retirement		2,511
Membership Dues/Fees		5,168
Meals and Meetings		1,487
Cell Phone		625
Vehicle - Fuel		2,573
Total	\$	<u>50,614</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
For the Year Ended June 30, 2023

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
Beginning Balance of Amounts Collected	\$ -	\$ -
Add Collections:		
<i>Criminal Fines - Court Costs</i>	15,563	20,229
<i>Criminal Fines - Other</i>	3,395	4,224
<i>Bench Warrants</i>	4,063	5,120
Subtotal Collections	<u>23,021</u>	<u>29,573</u>
Less Amounts Retained by Collecting Agency		
Amounts Self-Disbursed to Collecting Agency:		
<i>Criminal Fines - Court Costs</i>	15,563	20,229
<i>Criminal Fines - Other</i>	3,395	4,224
<i>Bench Warrants</i>	4,063	5,120
Subtotal Disbursements/Retainage	<u>23,021</u>	<u>29,573</u>
Ending Balance of Amounts Collected but Not Disbursed	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

OTHER INFORMATION

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF SEWERAGE CUSTOMERS
(Unaudited)
June 30, 2023

The City had 2,831 customers of Sewerage District No. 1 at June 30, 2023. The monthly service charge is based upon water consumption of each resident. Commercial buildings are charged at a higher rate which is also based upon water consumption.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF INSURANCE IN FORCE
(Unaudited)
June 30, 2023

Issuer	Kind of Insurance	Property Covered	Insurance	Expiration Date
Bourg Agency Company <i>(Landmark American Ins. Company)</i>	Fire & Extended	Old Fire Station	\$ 700,000	5/8/23
		Old Fire Station Contents	\$ 25,000	5/8/23
		406 Charles St. (AAM)	\$ 100,000	5/8/23
	Fire & Extended	Lemann Center Bldg	\$ 3,000,000	5/8/23
		Lemann Center Contents	\$ 75,000	5/8/23
	Fire & Extended	House D Thibaut Drive	\$ 100,000	5/8/23
		W. House Contents	\$ 100,000	5/8/23
	Fire & Extended	Gas Dept Warehouse	\$ 25,000	5/8/23
		Business Liability	Gas Dept Contents	\$ 16,000
	City Hall Bldg		\$ 1,000,000	5/8/23
	City Hall Contents		\$ 300,000	5/8/23
	DMV Bldg.		\$ 800,000	5/8/23
	DMV Contents		\$ 50,000	5/8/23
	Warehouse B Bldg.		\$ 800,000	5/8/23
	Warehouse B Contents		\$ 50,000	5/8/23
	New Fire Station		\$ 2,500,000	5/8/23
	New Fire Station Contents		\$ 500,000	5/8/23
	Equipment Breakdown			5/8/23
Rod Prejean & Assoc. <i>(Lane & Associates, Inc.)</i>	Inland Marine	Tractor (John Deere)	\$ 27,000	3/21/24
		Skid Mount (John Deere)	\$ 48,010	3/21/24
		Loader (580 Case)	\$ 66,937	3/21/24
		Tractor (Kubota)	\$ 18,153	3/21/24
		Tractor (6110 CAB JD)	\$ 75,493	3/21/24
		Boom Mower (Alamo)	\$ 63,035	3/21/24
		Bobcat Compact Track Loader w/ Attachments	\$ 54,165	3/21/24
		Generator (150 KW)	\$ 35,975	3/21/24
		Generator (250 KW)	\$ 50,958	3/21/24
		Generator (Generac)	\$ 83,680	3/21/24
		Terrorism	\$ 83,680	3/21/24
CNA Surety	Employee Blanket Bond	Employees	\$ 50,000	5/1/24
	Public Employee Bond	Commission	\$ 70,000	5/1/24
	Levee Bond	Levee (River top prj.)	\$ 8,000	2/27/24

CITY OF DONALDSONVILLE

Donaldsonville, Louisiana

SCHEDULE OF INSURANCE IN FORCE (continued)

(Unaudited)

June 30, 2023

Issuer	Kind of Insurance	Property Covered	Insurance	Expiration Date
Blue Cross Blue Shield	Health and Dental	Employees		1/1/24
Fort Dearborn Life Insurance	Life Insurance	Employees	\$ 25,000	1/1/24
Special Risk Insurance (American Alternative Insurance)	Collision & Compreh.	1990 Ford Pumper Truck	\$ 1,000,000	12/31/23
		2007 Ferrara Pumper LDH	\$ 1,000,000	12/31/23
		2016 Ford Crew Cab	\$ 1,000,000	12/31/23
		2010 Dodge First Responder	\$ 1,000,000	12/31/23
		2023 Freightliner Pumeper	\$ 1,000,000	12/31/23
	Blanket Portable Equipment Management Liability	Portable Equipment Management	\$ 2,000,000	12/31/23
Arthur J. Gallagher of LA, Inc. (LWCC)	Workers' Compensation	Each Accident	\$ 1,000,000	3/16/24
		Policy Limit	\$ 1,000,000	3/16/24
		Each Employee	\$ 1,000,000	3/16/24
Arthur J. Gallagher of LA, Inc.	Commercial General Liability	Each Occurrence	\$ 1,000,000	4/1/24
		Damage To Rented Premises	\$ 1,000,000	4/1/24
		Personal & ADV Injury	\$ 1,000,000	4/1/24
		General Aggregate	\$ 2,000,000	4/1/24
		Products-COMP/OP AGG	\$ 2,000,000	4/1/24
	Automobile Liability			
	Collision & Compreh.	Combined Single Limit (Ea Accident)	\$ 1,000,000	4/1/24
		Deductible	\$ 1,000 / \$1,000	4/1/24
	Professional Liability	Each Wrongful Act	\$ 1,000,000	4/1/24
		Aggregate	\$ 1,000,000	4/1/24
	Cyber Liability & Privacy			
	Limit & Retention	Privacy Liability	\$ 1,000,000 / \$2,500	4/1/24

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF INSURANCE IN FORCE (continued)

(Unaudited)

June 30, 2023

Issuer	Kind of Insurance	Property Covered	Insurance	Expiration Date
	Limit & Retention	Privacy Regulatory Claims Coverage	\$ 1,000,000 / \$2,500	4/1/24
	Limit & Retention	Security Breach Response Coverage	\$ 1,000,000 / \$2,500	4/1/24
	Limit & Retention	Security Liability	\$ 1,000,000 / \$2,500	4/1/24
	Limit & Retention	Multimedia Liability	\$ 1,000,000 / \$2,500	4/1/24
	Limit & Retention	Cyber Extortion	\$ 1,000,000 / \$2,500	4/1/24
	Limit & Retention	Business Income and Digital Asset Restoration	\$ 1,000,000 / \$2,500	4/1/24
	Limit & Retention	PCI DSS Assessment	\$ 1,000,000 / \$2,500	4/1/24
Arthur J. Gallagher of LA, Inc.	Crime Coverage			4/1/24
	Limit & Deductible(Per Occurrence)	Employee Theft-Per Loss Coverage	\$ 500,000 / \$1,000	
	Limit & Deductible(Per Occurrence)	Employee Theft-Per Employee Coverage	Not Covered	
	Limit & Deductible(Per Occurrence)	Forgery or Alteration	\$ 500,000 / \$1,000	
	Limit & Deductible(Per Occurrence)	Inside the Premises-Theft of Money and Securities	\$ 100,000 / \$1,000	
	Limit & Deductible(Per Occurrence)	Inside the Premises-Robbery or Safe Burglary of Other	\$ 100,000 / \$1,000	
	Limit & Deductible(Per Occurrence)	Outside the Premises	\$ 100,000 / \$1,000	
	Limit & Deductible(Per Occurrence)	Computer and Funds Transfer Fraud	\$ 100,000 / \$1,000	
	Limit & Deductible(Per Occurrence)	Money Orders and Counterfeit Money	\$ 100,000 / \$1,000	

**OTHER REPORTS REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

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

To the Honorable Mayor and Members
of the Commission Council
City of Donaldsonville, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Donaldsonville, Louisiana (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 28, 2023.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-003.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
December 28, 2023



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

To the Honorable Mayor and Members
of the Commission Council
City of Donaldsonville
Donaldsonville, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Donaldsonville's (the City) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with the 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City 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 the 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.

Auditors' 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'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.
- 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.
- Obtain an understanding of the 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 the 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-004, 2023-005, 2023-006, and 2023-007. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.



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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-004 and 2023-005 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-006 and 2023-007 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
December 28, 2023



CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's ID Number	Federal Expenditures
HOUSING VOUCHER CLUSTER			
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Program			
Section 8 Housing Choice Vouchers	14.871	N/A	\$ 596,673
TOTAL HOUSING VOUCHER CLUSTER			<u>596,673</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4611	493,973
TOTAL UNITED STATES DEPARTMENT OF HOMELAND SECURITY			<u>493,973</u>
OTHER PROGRAMS			
UNITED STATES DEPARTMENT OF TREASURY			
Direct Program			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	673,195
UNITED STATES DEPARTMENT OF THE INTERIOR			
Passed through Louisiana Office of the Lieutenant Governor - Louisiana Department of Culture, Recreation, and Tourism, Division of Historic Preservation			
Historic Preservation Fund Grants-In-Aid	15.904	P22AF01278-00	11,000
TOTAL OTHER PROGRAMS			<u>684,195</u>
TOTAL FEDERAL ASSISTANCE EXPENDED			<u>\$ 1,774,841</u>

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Donaldsonville, Louisiana and is presented on the modified accrual basis of accounting. 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 operation of the City of Donaldsonville, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Donaldsonville.

NOTE B - RECONCILIATION OF FEDERAL EXPENDITURES

Federal assistance expended as reported on Schedule of Expenditures of Federal Awards	\$ 1,774,841
Less: revenues accrued in 2022 for FEMA PWs obligated in 2023	(493,973)
Add: revenues accrued for FEMA PWs obligated after year end	6,700
Add: expenditures incurred in prior year but reimbursed in current year	
Section 8 Housing Choice Vouchers	10,784
Less: expenditures incurred in current year not reimbursed in current year	
Section 8 Housing Choice Vouchers	(19,174)
Add: state revenues and local grant revenues reported as grant revenues	1,304,076
Total intergovernmental revenues	<u>\$ 2,583,254</u>
Intergovernmental revenues as reported on the financial statements -	
Governmental Funds	\$ 1,662,412
Proprietary Funds	920,842
	<u>\$ 2,583,254</u>

NOTE C - INDIRECT COST RATE

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

NOTE D - CLEAN WATER STATE REVOLVING LOAN FUND CLUSTER

The City of Donaldsonville, Louisiana received loan assistance for the following program:

Program Title	Federal Assistance Listing Number	Outstanding Balance as of June 30, 2023	New Loans Made During the Year Ended June 30, 2023
Capitalization Grants for Clean Water State Revolving Funds		\$ 5,891,169	\$ -
Less: Source of Funds - State or Repayment Funds		(4,464,442)	-
Federal Portion of Loan	66.458	<u>\$ 1,426,727</u>	<u>\$ -</u>

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified Yes No
- Significant deficiency identified not considered to be a material weakness? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness identified Yes No
- Significant deficiency identified not considered to be a material weakness? Yes None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? Yes No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Federal Assistance Listing Number</u>
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

2023-001 RECONCILIATIONS

Criteria: Internal controls should be designed to ensure proper reconciliation to prevent or detect material misstatements.

Condition: Deficiencies were noted in the design of the processes and controls by not reconciling accounting records to subsidiary ledgers and source documents regarding reconciliation of payments to retirement plans, health insurance payments, retainage payable, construction commitments, and construction in progress. As a result, errors in accounting were noted. This is a similar finding from June 30, 2020, 2021, and 2022.

Cause: The City has not developed a formal policy that addresses reconciliations of various accounts.

Effect: Errors related to the payment of vendors could result in material misstatements and not be detected by the City's current internal control processes.

Recommendation: Proper internal controls should be established in order to perform an effective reconciliation to confirm transactions are appropriate and properly recorded in the financial records.

View of Responsible Official: Management concurs with the finding. Proper internal controls will be established regarding reconciliations. Additionally, the reconciliations will be reviewed by the proper personnel.

2023-002 DOCUMENTATION OF REVIEW

Criteria: Internal controls should be designed to ensure proper documentation of review of reconciliations and other processes to prevent or detect material misstatements.

Condition: During the assessment of internal control over financial reporting, we identified deficiencies in the design of the controls over the documentation and review of the reconciliation function and other processes. This included the design of the controls regarding reconciliation accounts payable, accounts receivable, and debt payments. Additionally, there is no documentation of the review of utility billing rate changes within the billing system. This is a similar finding from June 30, 2020, 2021, and 2022.

Cause: The City has not developed a formal policy that addresses documentation of review of reconciliations and other processes.

Effect: Errors related to the payment of vendors, billings to customers, and amounts to be received from customers and other governments could result in material misstatements and not be detected by the City's current internal control processes.

Recommendation: Proper internal controls should be established in order to perform and document an effective review of reconciliations and other processes to confirm transactions are appropriate and properly recorded in the financial records.

View of Responsible Official: Management concurs with the finding. Proper internal controls will be established regarding reconciliations and review.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

2023-003 LOCAL GOVERNMENT BUDGET ACT

Criteria: Louisiana Revised Statutes 39:1306 and 39:1307 require a notice for public hearing to be published in the official journal no later than 15 days prior to the beginning of the fiscal year and the public hearing to be held no sooner than 10 days after the publication. Additionally, Louisiana Revised Statute 38:1311 requires the governmental entity to revise its budget when total projected revenues and other sources fail to meet total budgeted revenues and other sources by five percent or more.

Condition: The City did not publish a notification for the budget adoption public hearing. The final amended budget reflected revenues and other sources in the General Fund that exceeded actual revenues and other sources by more than five percent. This is a similar finding from June 30, 2021 and 2022.

Cause: The City failed to take the necessary steps to ensure compliance with the requirements of Louisiana Revised Statutes 39:1306, 39:1307, and 39:1311.

Effect: The City is not in compliance with the requirements of the Louisiana Revised Statutes 39:1306, 39:1307, and 39:1311.

Recommendation: We recommend that the City comply with all requirements of the Local Government Budget Act.

View of Responsible Official: Management of the City concurs with the finding and will publish public hearing notices and amend budgets when necessary, as required by the Local Government Budget Act.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2023-004 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

Criteria: Internal controls should be designed to capture the City's federal expenditures in order to ensure that an accurate Schedule of Expenditures of Federal Awards (SEFA) can be prepared.

Condition: Uniform Guidance section 200.510 requires the auditee to prepare a SEFA. A complete and accurate SEFA was not provided to us.

Cause: The records were not maintained in a manner which allowed the SEFA to be prepared in an efficient manner to ensure accuracy and completeness.

Questioned Costs: None.

Effect: The SEFA is used by the auditor to determine which federal programs are to be audited as major programs and to accurately report expenditures to the federal government and granting agencies. Major programs may not be properly identified in accordance with the Uniform Guidance.

Recommendation: All information should be included on the SEFA by employees familiar with the grant awards. The general ledger should be categorized by federal programs/program year in order to capture the correct expenditures by programs. A review should be performed by someone other than the preparer for accuracy and completeness.

Identification of a repeat finding: This is a similar finding from previous audits, 2022-007, 2021-007, 2020-006, 2019-007, and 2018-007.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

2023-004 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA) (continued)

View of Responsible Official: Management concurs with the finding. Controls relating to the preparation of the SEFA will be designed to capture the City's federal expenditures in order to properly prepare the SEFA.

2023-005 ENHANCEMENT OF POLICIES AND PROCEDURES FOR FEDERAL AWARDS

Criteria: The Uniform Guidance administrative requirements and cost principles apply to federal funding awards on or after December 26, 2014. 2 CFR 200, Subpart D – Post Federal Award Requirements and Subpart E – Cost Principles of the Uniform Guidance require specific written policies and internal controls relative to federal awards.

Condition: The written policies and procedures of the City do not directly address all of the requirements under the Uniform Guidance for federal programs as it relates to allowable costs and procurement. Additionally, the City does not have controls in place to ensure accurate and timely reporting of federal awards nor are there controls in place to monitor if vendors have been suspended or debarred.

Cause: The City has not taken appropriate steps to formalize policies and procedures relating to the requirements established under Uniform Guidance for compliance with allowable costs and procurement. The City has also failed to implement controls over reporting and the monitoring of vendors.

Questioned Costs: None

Effect: The City is susceptible to a higher risk of non-compliance with federal awarding requirements as they relate to allowable costs, procurement, reporting, and suspension and debarment.

Identification of a repeat finding: This is a similar finding from previous audits, 2022-008, 2021-008, 2020-007, 2019-009, and 2018-009.

Recommendation: The City must establish written policies and procedures to ensure compliance with Uniform Guidance relating to allowable costs and procurement. The City must also establish controls over reporting and vendor monitoring.

View of Responsible Official: Management will implement policies and procedures to ensure compliance with Uniform Guidance requirements regarding allowable costs, procurement, reporting, and vendor monitoring.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

2023-006 TIMELY SUBMISSION OF REPORTS

United States Department of the Treasury

COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
(Federal Assistance Listing No. 21.027)

Criteria: The United States Department of the Treasury promulgated compliance and reporting guidance on the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). All recipients are required to submit project and expenditure reports. Metropolitan cities and parishes with a population below 250,000 residents that are allocated less than \$10 million in CSLFRF funding are required to submit annual project and expenditure reports by April 30, 2023 for the period of April 1, 2022, through March 31, 2023. Internal controls should be designed to ensure timely submission of the annual project and expenditure report.

Condition: The City submitted its annual project and expenditure report which was due on April 30, 2023, on May 9, 2023.

Cause: The City does not have policies and procedures in place to ensure timely submission and compliance with federal reporting requirements.

Questioned Costs: None.

Effect: The City failed to timely submit its annual project and expenditure report.

Recommendation: The City should implement policies and procedures that ensure the proper procedures are followed to ensure compliance with federal reporting requirements.

Identification of a repeat finding: This is a new finding in the current year.

View of Responsible Official: Management concurs with the finding.

2023-007 ALLOWABLE COSTS

United States Department of Homeland Security

Passed through the Louisiana Governor’s Office of Homeland Security and Emergency Preparedness
Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Federal Assistance Listing
No. 97.036 – Grant No. 4611-DR-LA)

Criteria: The Uniform Guidance administrative requirements and cost principles apply to federal funding awarded on or after December 26, 2014. 2 CFR 200, Subpart E – Cost Principles Section 200.403(a) states that costs must be necessary and reasonable for the performance of the federal award and be allocable thereto under cost principles.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

2023-007 ALLOWABLE COSTS (continued)

United States Department of Homeland Security (continued)

Passed through the Louisiana Governor’s Office of Homeland Security and Emergency Preparedness Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Federal Assistance Listing No. 97.036 – Grant No. 4611-DR-LA) (continued)

Condition: The City requested and received reimbursement from Federal Emergency Management Agency (FEMA) in the amount of \$68,728, of which \$36,438 (or 884 hours) related to force equipment and \$32,290 (or 1,061 overtime manhours) related to force labor. Out of a population of 884 force equipment hours, or \$36,438, 350 hours were tested. Of the tested amount, 298 hours, or \$12,236, lacked equipment hours logs. Out of a population of 1,061 overtime manhours, or \$32,290, spread across 27 employees, we tested 388 overtime manhours, or \$9,648, spread across 5 employees. Of the tested amount, there were discrepancies in rates charged for the employees, as well as hour classification between overtime and straight time. Additionally, the time sheet for one employee was for a different period than the period in which reimbursement was requested. This accounted for 96 of the tested hours. When analyzing differences in costs requested, of the total \$9,648 tested it was found that \$1,782, or 18.5%, was over requested. When projected to the population, it results in a request that is approximately \$6,000 too high.

Cause: The City does not have policies and procedures in place to ensure compliance with federal cost requirements regarding the allowability of reimbursed costs.

Questioned Costs: \$18,201

Effect: The City may be in noncompliance with the Uniform Guidance Allowable Costs standards.

Recommendation: The City should implement policies and procedures that ensure an effective review of reimbursement requests prior to submission to ensure all costs requested are legitimate and allowable.

Identification of a repeat finding: This is a new finding in the current year.

View of Responsible Official: Management concurs with the finding.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND RESPONSES
For the Year Ended June 30, 2023

A. FINDINGS – FINANCIAL STATEMENT AUDIT

2022-001 LACK OF SEGREGATION OF DUTIES

Condition: During the assessment of internal control over financial reporting, we identified deficiencies in the design of the controls due to inadequate segregation of duties over the recording of deposits. Additionally, timely preparation and review of bank reconciliations is not being consistently performed. This is a repeat finding from June 30, 2016, 2017, 2018, 2019, 2020, and 2021.

Current Status: No similar findings noted in the current year.

2022-002 PAYROLL FUNCTION

Condition: During the assessment of internal control over financial reporting, we identified deficiencies in the design of the controls over the payroll function due to inadequate segregation of duties as well as lack of documentation of review and approval. We noted an instance of no approval of the timesheet for the person responsible for the payroll function. Additionally, other timesheets had not been approved by the employee and some had not been approved by a supervisor. A similar finding was reported at June 30, 2018, 2019, 2020, and 2021.

Current Status: No similar findings noted in the current year.

2022-003 RECONCILIATIONS

Condition: During the assessment of internal control over financial reporting, we identified deficiencies in the design of the controls over the reconciliation function. This included the design of the controls regarding reconciliation of payments to retirement plans, health insurance payments, accounts payable, retainage payable, construction in progress, and debt payments. In addition, we noted journal entries with no documentation of a review being performed. There are also numerous reconciling cash items that are not being reviewed or submitted to the state. This is a similar finding from June 30, 2020 and 2021.

Current Status: Similar findings were noted in the current year and is listed as findings 2023-001 and 2023-002.

2022-004 BOND RESERVE REQUIREMENTS

Condition: The City failed to make transfers of principal and interest to the sinking funds and several other accounts on a timely basis for several of its various bond issuances. This is a similar finding from June 30, 2016, 2017, 2018, 2019, 2020, and 2021.

Current Status: No similar findings noted in the current year.

CITY OF DONALDSONVILLE
Donaldsonville, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND RESPONSES
For the Year Ended June 30, 2023

B. FINDINGS – COMPLIANCE WITH LAWS AND REGULATIONS

2022-005 PUBLIC BID LAW

Condition: The City purchased air conditioning units in the amount of \$11,110 for the Lemann Center during the year ended June 30, 2022, and did not receive quotes. The City also paid a contractor to perform different repairs of the system as a result of emergencies. Emergency declarations were never made. Additionally, it was not published for public notice. In addition, the City purchased airpacks for the Fire Department in the amount of \$66,953 and only received written quotes. This is a similar finding from June 30, 2020 and 2021.

Current Status: No similar findings noted in current year.

2022-006 LOCAL GOVERNMENT BUDGET ACT

Condition: Budgeted revenues and other sources in the General Fund exceeded actual revenues and other sources by more than five percent. This is a similar finding from June 30, 2021.

Current Status: Similar finding was noted in the current year and is listed as finding 2022-003.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2022-007 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

Condition: Uniform Guidance section 200.510 requires the auditee to prepare a SEFA. A complete and accurate SEFA was not provided to us. This is a repeat finding from 2021-007, 2020-006, 2019-007, and 2018-007.

Current Status: Similar finding was noted in the current year and is listed as finding 2023-004.

2022-008 ENHANCEMENT OF POLICIES AND PROCEDURES FOR FEDERAL AWARDS

Condition: The written policies and procedures of the City do not directly address the compliance areas under the Uniform Guidance for federal programs as it relates to allowable costs and procurement. Additionally, the City does not have controls in place to ensure accurate and timely reported of federal awards nor are there controls in place to monitor if vendors have been suspended or debarred. This is a similar finding from previous audits, 2021-008, 2020-007, 2019-009, and 2018-009.

Current Status: Similar finding was noted in the current year and is listed as finding 2023-005.



City of Donaldsonville

LEROY J. SULLIVAN, SR., MAYOR

Lauthaught Delaney, Sr., District 1
 Raymond Aucoin, District 2
 Reginald Francis, Sr., District 3

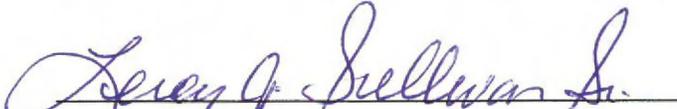
December 28, 2023

Rev. Charles Brown, Sr., District 4
 Michael W. Sullivan, Sr., District 5

**Corrective Action Plan for
 current year audit findings
 for the year ended June 30, 2023**

Description of Findings	Correction Action	Contact Person	Anticipated completion date
Reconciliations	Management will establish controls regarding reconciliations and the documented review of the reconciliations.	Mayor Leroy Sullivan and Sandra Williams	Monthly basis
Documentation of Review	Proper internal controls will be established regarding documenting all reviews of reconciliations and billing rate changes.	Mayor Leroy Sullivan and Sandra Williams	Monthly basis
Local Government Budget Act	Management will amend budgets and ensure public hearings will be posted as required by the Local Budget Government Budget Act.	Mayor Leroy Sullivan and Sandra Williams	Immediately
Schedule of Expenditures of Federal Awards (SEFA)	Management will properly create a schedule of all Federal Awards.	Mayor Leroy Sullivan and Sandra Williams	Monthly basis
Enhancement of Policies and Procedures for Federal Awards	Management will update written policies and procedures to ensure compliance with Uniform Guidance. Additionally, management will establish controls to ensure timely reporting of federal awards as well as the monitoring of vendors for suspension and debarment.	Mayor Leroy Sullivan and Sandra Williams	Monthly basis
Timely Submission of Reports	Management will ensure that proper procedures are followed to comply with federal reporting requirements.	Mayor Leroy Sullivan and Sandra Williams	Annual Basis
Allowable Costs	Management will ensure an effective review of reimbursement requests prior to submission to ensure all costs requested are legitimate and allowable.	Mayor Leroy Sullivan and Sandra Williams	Annual Basis/As needed

The above corrective action plan addresses the auditor's current year findings. If you need additional information concerning the corrective action plan, please feel free to contact us.



Leroy J. Sullivan Sr.

Leroy Sullivan, Mayor

To the Honorable Mayor and
Members of the Commission Council
City of Donaldsonville
Donaldsonville, Louisiana

We have audited the general-purpose financial statements of the City of Donaldsonville (the City) for the year ended June 30, 2023, and have issued our report thereon dated December 28, 2023. As part of our audit, we made a study and evaluation of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

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

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

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls or operating efficiency. Our comments and suggestions regarding those matters are set forth below. This letter does not affect our reports dated December 28, 2023, on the financial statements of the City of Donaldsonville or the City's internal control over financial reporting.

ML 23-001 Information System Control Environment

Condition: The controls related to the information system environment ensure that information is secure, access to information is limited to personnel with a need for access, and that system changes are appropriate.

Recommendation: The City should consider implementing the following:

- The City should make every effort to formalize and approve IT policies and procedures that include IS Operations, Information Security, and Change Management. Policies and procedures should be reviewed periodically to ensure their applicability as the environment and risks change and include a formal password policy and security strategies and expectations.
- The City should consider formally working with the vendor to complete a formal review of active network accounts to determine that access for terminated users was disabled and the appropriateness of access permissions for existing users.
- The City should continue to work to obtain the SOC reports for service organizations that store and access the City's financial data. Management should also work with the third-party IT vendor to obtain assessment reports of any procedures completed regarding information system assessments. The reports should be reviewed to identify any exceptions that might impact internal operations.

Status of Prior Year Management Letter Comments

ML 22-001 Information System Control Environment

Condition: The controls related to the information system environment should be improved to ensure that information is secure, access to information is limited to personnel with a need for access, and that system changes are appropriate.

Current Status: A similar comment is reported for the current year.

This information is intended solely for the use of the members of the Council and management of the City of Donaldsonville and should not be used for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
December 28, 2023





City of Donaldsonville

LEROY J. SULLIVAN, SR., MAYOR

Lauthaught Delaney, Sr., District 1
Raymond Aucoin, District 2
Reginald Francis, Sr., District 3

Rev. Charles Brown, Sr., District 4
Michael W. Sullivan, Sr., District 5

December 28, 2023

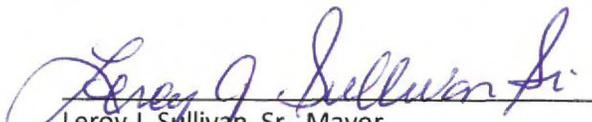
Corrective Action Plan for
current year management letter points
for the year ended June 30, 2023

ML 23-001 Information System Control Environment

Recommendation: The controls related to information system environment should be improved to ensure that information is secure, access to information is limited to personnel with a need for access, and that system changes are appropriate.

Corrective Action Plan: The City has written up a plan to update the IT policies and procedures that include IS Operations, Information Security, and Change management. This plan will be adopted in January 2024. The IT vendor will develop a plan to review active network accounts to determine access for terminated users was disabled. Management will continue to work to obtain SOC reports.

The above corrective action plan addresses the auditor's current year management letter points. If you need any additional information concerning the corrective action plan, please feel free to contact us.


Leroy J. Sullivan, Sr., Mayor

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor, Members of the Commission Council, and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the City of Donaldsonville for the fiscal period July 1, 2022, through June 30, 2023. The City of Donaldsonville's management is responsible for those C/C areas identified in the SAUPs.

The City of Donaldsonville has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022, through June 30, 2023. 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the City of Donaldsonville to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the City of Donaldsonville for the fiscal period July 1, 2022, through June 30, 2023. 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 Donaldsonville and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of 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.



EISNERAMPER LLP
Baton Rouge, Louisiana
December 28, 2023

**CITY OF DONALDSONVILLE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

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

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

No exception noted.

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

No exception noted.

iii. **Disbursements**, including processing, reviewing, and approving.

No exception noted.

iv. **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).

The Entity has written policies for Receipts/Collections including receiving, recording, and preparing deposits. However, written policies do not address management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions.

v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exception noted.

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

The Entity has written policies for Contracting including (2) standard terms and conditions, (3) legal review, and (4) approval process. However, written policies do not address (1) types of services requiring written contracts nor (5) monitoring process.



**CITY OF DONALDSONVILLE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

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

No exception noted.

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

No exception noted.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 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.

The Entity has written policies for Ethics including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121 and (3) system to monitor possible ethics violations. However, written policies do not address (2) actions to be taken if an ethics violation takes place nor (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.

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

The Entity has written policies for Debt Service including (1) debt issuance approval and (3) debt reserve requirements. However, written policies do not address (2) continuing disclosure/EMMA reporting requirements nor (4) debt service requirements.

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

No exception noted.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The Entity has written policies for Prevention of Sexual Harassment including (1) agency responsibilities and prohibitions and (2) annual employee training. However, written policies do not address (3) annual reporting.



**CITY OF DONALDSONVILLE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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Schedule A

2) Board or Finance Committee

- A. 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:
- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exception noted.

- ii. For those entities reporting on the governmental accounting model, observe whether 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. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Of the meetings reviewed during the fiscal period, there were 6 months that did not reference monthly budget-to-actual comparisons.

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

No exception noted.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

The council did not receive written updates of the progress of resolving audit findings.

3) Bank Reconciliations

- A. 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 entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of 40 bank accounts. Management identified the entity's main operating accounts for each fund. No exceptions were noted as a result of performing this procedure.



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From the listing provided, we selected 5 bank accounts (4 main operating and 1 randomly) and obtained the bank reconciliations for the month ending June 30, 2023, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

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

No exception noted.

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

No exception noted.

- iii. 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.

No exception noted.

4) Collections (excluding electronic funds transfers)

- A. 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).

A listing of deposit sites was provided and included a total of 1 deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we tested the 1 deposit site and performed the procedures below.

- B. 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 (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure 4A was provided and included a total of 11 collection locations. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exception noted.



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

No exception noted.

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

No exception noted.

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

No exception noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exception noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:

We randomly selected 2 deposit dates for each of the 5 bank accounts selected in procedure 3A. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.

- i. Observe that receipts are sequentially pre-numbered.

No exception noted.

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

No exception noted.

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

No exception noted.



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- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exception noted.

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

No exception noted.

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

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

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the only location and performed the procedures below.

- B. For each location selected under #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure 5A was provided. No exceptions were noted as a result of performing this procedure.

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

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

No exception noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exception noted.

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

No exception noted.

- iv. 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; and

No exception noted.



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Schedule A

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

There are no electronic payments processed by the Entity.

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

A listing of non-payroll disbursements for each payment processing location selected in procedures 5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

Each disbursement tested matched the related original itemized invoice. However, for the 5 disbursements tested, 2 did not contain supporting documentation indicating deliverables included on the invoice were received by the entity.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

For 2 disbursements selected for our procedures, a single employee initiated the purchase request, approved the purchase, and placed/made the purchase. For 1 disbursement selected for our procedures, there was no evidence of a purchase requisitioner.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exception noted.



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Schedule A

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

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

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

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

From the listing provided, we randomly selected 5 credit cards used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

- i. 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

For 1 of the 5 cards tested, the monthly statement provided did not contain evidence of review or approval by someone other than the card holder.

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

For 1 of the 5 cards tested, late fees were assessed.

- C. Using the monthly statements or combined statements selected under procedure #6B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

We randomly selected 21 transactions and obtained supporting documentation for the transactions. For each transaction, observed that it was supported by (1) an original itemized receipt that identified 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).

Of the 21 total transactions tested, 10 did not contain (1) an original itemized receipt that identifies precisely what was purchased, 14 did not contain (2) written documentation of the business/public purpose, and 2 did not contain (3) documentation of the individuals participating in meals.



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

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

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

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

- i. If reimbursed using a per diem, observe that 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);

Of the 5 reimbursements selected for our procedures, 3 used a per diem and 2 used actual costs. No exceptions noted.

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

No exception noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by "Written Policies and Procedures", procedure #1A(vii); and

No exception noted.

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

No exception noted.

8) Contracts

- A. 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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.



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

- i. 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;

Of the 5 contracts selected for our procedures, none were subject to Louisiana Public Bid Law. No exceptions noted.

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

Of the 5 contracts tested, 1 was not properly approved according to the City's written policy.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exception noted.

- iv. 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.

We randomly selected 1 payment for the 5 contracts selected and performed the specified procedures. No exceptions noted.

9) Payroll and Personnel

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

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure 9A.

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exception noted.



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- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
No exception noted.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
No exception noted.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
No exception noted.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.
From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exceptions noted.
- D. 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.
No exception noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
No exception noted.
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
The entity did not have any changes to the ethics policy, so this step is not applicable.



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

No exception noted.

11) Debt Service

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

Not applicable. The Entity issued no new debt in the current fiscal year.

- B. 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).

A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 bond and performed the specified procedures. No exception noted.

12) Fraud Notice

- A. 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 as required by R.S. 24:523.

No exception noted.

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

No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**



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- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- iii. 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.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exception noted.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exception noted.

- C. 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 that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

No exception noted.



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- ii. Number of sexual harassment complaints received by the agency;

No exception noted.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exception noted.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exception noted.

- v. Amount of time it took to resolve each complaint.

No exception noted.

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City of Donaldsonville

LEROY J. SULLIVAN, SR., MAYOR

Lauthaught Delaney, Sr., District 1
Raymond Aucoin, District 2
Reginald Francis, Sr., District 3

Rev. Charles Brown, Sr., District 4
Michael W. Sullivan, Sr., District 5

1) Written Policies and Procedures

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

iv. 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).

The Entity has written policies for Receipts/Collections including receiving, recording, and preparing deposits. However, written policies do not address management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

Corrective Action

Anticipated Completed Date

Management will amend the current policy to reflect managements actions for completeness of all collections.

Immediately

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

The Entity has written policies for Contracting including (2) standard terms and conditions, (3) legal review, and (4) approval process. However, written policies do not address (1) types of services requiring written contracts nor (5) monitoring process.

Corrective Action

Anticipated Completed Date

Management will amend the current policy to include types of services and monitoring steps.

Immediately

ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 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.

The Entity has written policies for Ethics including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121 and (3) system to monitor possible ethics violations. However, written policies do not address (2) actions to be taken if an ethics violation takes place nor (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.

Corrective Action

Anticipated Completed Date

Management will update its current policy.

Immediately

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

The Entity has written policies for Debt Service including (1) debt issuance approval and (3) debt reserve requirements. However, written policies do not address (2) continuing disclosure/EMMA reporting requirements nor (4) debt service requirements.

Corrective Action

Anticipated Completed Date

Management will amend the current policy to reflect disclosures and debt service requirements.

Immediately

- xii. Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The Entity has written policies for Prevention of Sexual Harassment including (1) agency responsibilities and prohibitions and (2) annual employee training. However, written policies do not address (3) annual reporting.

Corrective Action

Anticipated Completed Date

Management will amend the current policy to reflect annual reporting.

Immediately

2 - Board or Finance Committee

- ii. For those entities reporting on the governmental accounting model, observe whether 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.

Of the minutes reviewed during the fiscal period, there were 6 months that did not reference monthly budget-to-actual comparisons.

Corrective Action

Anticipated Completed Date

Management will ensure the council clerk to reference
Monthly budget to actual comparisons.

Immediately

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding (s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

The council did not receive written updates of the progress of resolving audit findings.

Corrective Action

Anticipated Completed Date

Management will ensure the council gets updated
regarding the progress of resolved audit findings and
the council clerk records it in the minutes.

Immediately

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

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

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

For the 5 disbursements tested, 2 did not contain supporting documentation indicating deliverables included on the invoiced were received by the entity.

Corrective Action

Anticipated Completed Date

Management will ensure a signature is on the receiving ticket and validating items ordered.

Immediately

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

For 2 disbursements selected for our procedures, a single employee initiated the purchase request, approved the purchase, and placed/made the purchase. For 1 disbursement selected for our procedures, there was no evidence of a purchase requisitioner.

Corrective Action

Anticipated Completed Date

Management will ensure that all purchase requisition has two signatures for approval.

Immediately

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

From the listing provided, we randomly selected 5 cards (3 credit cards and 2 store cards) used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

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

For 1 of the 5 credit cards tested, the monthly statement provided did not contain evidence of review by someone other than the card holder.

Corrective Action

Anticipated Completed Date

Management will obtain proper approval for credit card charges.

Immediately

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

For 1 of the 5 cards tested, late fees were assessed.

Corrective Action

Anticipated Completed Date

Management will make all payments on time.

Immediately

- iii. Using the monthly statements or combined statements selected under #6B 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 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.

We randomly selected 21 transactions and obtained supporting documentation for the transactions. For each transaction, observed that it was supported by (1) an original itemized receipt that identified 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).

Of the 21 total transactions tested, 10 did not contain (1) an original itemized receipt that identifies precisely what was purchased, 14 did not contain (2) written documentation of the business/public purpose, and 2 did not contain (3) documentation of the individuals participating in meals.

Corrective Action

Anticipated Completed Date

Management will ensure to keep all itemized receipts and make proper documentation of meals.

Immediately

8) Contracts

A. 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:

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

Of the 5 contracts tested, 1 was not properly approved according to the City's written policy.

Corrective Action

Anticipated Completed Date

Management will make sure all contracts are council approved.

Immediately

