

**CITY OF ST. MARTINVILLE, LOUISIANA**

Financial Report

Year Ended June 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Melinda Mitchell, Mayor  
and Members of the City Council  
City of St. Martinville, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Martinville, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of St. Martinville, Louisiana's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Martinville, Louisiana, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, schedule of changes in net OPEB liability and related ratios, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 47 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Martinville, Louisiana's basic financial statements. The other supplementary information on pages 54 through 69 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The various combining and comparative statements and the Justice System Funding Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the various combining and comparative statements and the Justice System Funding Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative information on the comparative statements has been derived from the City's 2020 financial statements. This information was subjected to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, was fairly presented, in all material respects, in relation to the basic financial statements as a whole.

The budgetary comparison schedules, schedule of revenues, expenditures, and changes in fund balance – Capital Projects Fund, and the LCDBG Sewer System Improvement Project schedules are presented as other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provides any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022, on our consideration of the City of St. Martinville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the City of St. Martinville, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Martinville, Louisiana's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
February 28, 2022

**BASIC FINANCIAL STATEMENTS**

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



CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Net Position  
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 1,107,523	\$ 285,224	\$ 1,392,747
Investments	5,308	45,045	50,353
Receivables, net	301,050	920,780	1,221,830
Internal balances	561,079	(561,079)	-
Due from other governmental units	212,221	273,237	485,458
Inventories	47,778	208,981	256,759
Prepaid items	44,829	12,942	57,771
Deposits	-	12,000	12,000
Total current assets	<u>2,279,788</u>	<u>1,197,130</u>	<u>3,476,918</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	-	372,044	372,044
Capital assets -			
Land and construction in progress	750,276	582,770	1,333,046
Capital assets, net	6,680,183	8,417,154	15,097,337
Total noncurrent assets	<u>7,430,459</u>	<u>9,371,968</u>	<u>16,802,427</u>
Total assets	<u>9,710,247</u>	<u>10,569,098</u>	<u>20,279,345</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	616,068	197,724	813,792
Deferred outflows related to postemployment benefits	11,278	2,820	14,098
Total deferred outflows of resources	<u>627,346</u>	<u>200,544</u>	<u>827,890</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts, salaries, and other payables	538,882	1,195,346	1,734,228
Compensated absences payable	53,883	23,971	77,854
Unearned revenue	14,050	-	14,050
Customer deposits	5,050	372,044	377,094
Capital lease payable	84,454	17,715	102,169
Bonds payable	404,000	-	404,000
Accrued interest	17,995	-	17,995
Total current liabilities	<u>1,118,314</u>	<u>1,609,076</u>	<u>2,727,390</u>
Noncurrent liabilities:			
Compensated absences payable	106,110	20,351	126,461
Capital lease payable	237,264	64,046	301,310
Bonds payable	2,490,535	-	2,490,535
Net pension liability	1,560,956	603,136	2,164,092
Postemployment benefit obligation payable	333,848	83,462	417,310
Total noncurrent liabilities	<u>4,728,713</u>	<u>770,995</u>	<u>5,499,708</u>
Total liabilities	<u>5,847,027</u>	<u>2,380,071</u>	<u>8,227,098</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	144,995	28,819	173,814
<b>NET POSITION</b>			
Net investment in capital assets	5,067,405	8,916,625	13,984,030
Restricted:			
Purpose of grantor	24,709	-	24,709
Capital projects	833,133	-	833,133
Debt service	50,766	-	50,766
Unrestricted (deficit)	<u>(1,630,442)</u>	<u>(555,873)</u>	<u>(2,186,315)</u>
Total net position	<u>\$ 4,345,571</u>	<u>\$ 8,360,752</u>	<u>\$ 12,706,323</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Activities  
For the Year Ended June 30, 2021

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 1,110,315	\$ -	\$ 107,912	\$ -	\$ (1,002,403)	\$ -	\$ (1,002,403)
Public safety	1,903,200	81,710	350,448	-	(1,471,042)	-	(1,471,042)
Public works	1,832,993	534,643	7,270	-	(1,291,080)	-	(1,291,080)
Recreation	307,286	11,706	-	2,500	(293,080)	-	(293,080)
Tourism	69,708	6,248	-	-	(63,460)	-	(63,460)
Urban redevelopment housing	378,551	-	373,414	-	(5,137)	-	(5,137)
Interest on long-term debt	84,782	-	-	-	(84,782)	-	(84,782)
Total governmental activities	<u>5,686,835</u>	<u>634,307</u>	<u>839,044</u>	<u>2,500</u>	<u>(4,210,984)</u>	<u>-</u>	<u>(4,210,984)</u>
<b>Business-type activities:</b>							
Electric	3,823,727	4,485,796	155,239	-	-	817,308	817,308
Water	684,117	585,231	-	-	-	(98,886)	(98,886)
Wastewater	914,088	541,410	-	29,213	-	(343,465)	(343,465)
Total business-type activities	<u>5,421,932</u>	<u>5,612,437</u>	<u>155,239</u>	<u>29,213</u>	<u>-</u>	<u>374,957</u>	<u>374,957</u>
Total	<u>\$ 11,108,767</u>	<u>\$ 6,246,744</u>	<u>\$ 994,283</u>	<u>\$ 31,713</u>	<u>(4,210,984)</u>	<u>374,957</u>	<u>(3,836,027)</u>
<b>General revenues:</b>							
Taxes -							
Property taxes, levied for general purposes					231,251	-	231,251
Sales and use taxes, levied for general purposes					1,751,515	-	1,751,515
Franchise taxes					62,320	-	62,320
Occupational licenses					308,440	-	308,440
Grants and contributions not restricted to specific programs -							
State sources					399,335	-	399,335
Non-employer pension contribution					43,224	18,508	61,732
Interest and investment earnings					64,248	2,026	66,274
Gain on sale of assets					15,925	-	15,925
Miscellaneous					61,139	-	61,139
Transfers					1,500,000	(1,500,000)	-
Total general revenues and transfers					<u>4,437,397</u>	<u>(1,479,466)</u>	<u>2,957,931</u>
Change in net position					226,413	(1,104,509)	(878,096)
Net position - July 1, 2020					<u>4,119,158</u>	<u>9,465,261</u>	<u>13,584,419</u>
Net position - June 30, 2021					<u>\$ 4,345,571</u>	<u>\$ 8,360,752</u>	<u>\$ 12,706,323</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **MAJOR FUNDS**

#### **General Fund**

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

#### **Capital Projects Fund**

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

#### **Enterprise Fund**

##### **Utility Fund -**

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

### **NONMAJOR FUNDS**

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

CITY OF ST. MARTINVILLE, LOUISIANA

Balance Sheet  
Governmental Funds  
June 30, 2021

	General	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and interest-bearing deposits	\$ 178,462	\$ 853,199	\$ 75,862	\$ 1,107,523
Investments	5,308	-	-	5,308
Receivables:				
Taxes	174,267	-	-	174,267
Due from other governmental units	211,980	-	241	212,221
Due from other funds	806,463	31,968	174,917	1,013,348
Other	126,783	-	-	126,783
Inventory	47,778	-	-	47,778
Prepaid items	44,829	-	-	44,829
Total assets	<u>\$1,595,870</u>	<u>\$ 885,167</u>	<u>\$ 251,020</u>	<u>\$ 2,732,057</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 355,552	\$ 31,194	\$ 1,536	\$ 388,282
Accrued expenses	149,531	-	1,069	150,600
Customer rental deposits	5,050	-	-	5,050
Unearned revenue	-	-	14,050	14,050
Due to other funds	272,539	20,840	158,890	452,269
Total liabilities	<u>782,672</u>	<u>52,034</u>	<u>175,545</u>	<u>1,010,251</u>
Fund balances -				
Nonspendable - prepaid items and inventory	92,607	-	-	92,607
Restricted for capital projects	-	833,133	-	833,133
Restricted for debt service	-	-	50,766	50,766
Restricted for purpose of grantor	-	-	24,709	24,709
Unassigned	720,591	-	-	720,591
Total fund balances	<u>813,198</u>	<u>833,133</u>	<u>75,475</u>	<u>1,721,806</u>
Total liabilities and fund balances	<u>\$1,595,870</u>	<u>\$ 885,167</u>	<u>\$ 251,020</u>	<u>\$ 2,732,057</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2021

Total fund balances for governmental funds at June 30, 2021 \$1,721,806

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

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

Land	\$ 745,390	
Construction in progress	4,886	
Buildings and improvements, net of \$4,534,945 accumulated depreciation	2,592,443	
Equipment and vehicles, net of \$1,106,259 accumulated depreciation	590,052	
Infrastructure, net of \$995,195 accumulated depreciation	<u>3,497,688</u>	7,430,459

The deferred outflows of expenditures for the municipal and police employees retirement systems and postemployment benefits are not a use of current resources, and therefore, are not reported in the funds. 627,346

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

Bonds payable	(2,894,535)	
Accrued interest payable	(17,995)	
Capital lease payable	(321,718)	
Net postemployment benefit obligation payable	(333,848)	
Compensated absences	(159,993)	
Net pension liability	<u>(1,560,956)</u>	(5,289,045)

The deferred inflows of contributions for the municipal and police employees retirement systems are not available resources, and therefore, are not reported in the funds. (144,995)

Total net position of governmental activities at June 30, 2021 \$4,345,571

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

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Governmental Funds  
For the Year Ended June 30, 2021

	General	Capital Projects Fund	Nonmajor Funds	Total
<b>Revenues:</b>				
Taxes	\$ 1,878,386	\$ -	\$ 104,380	\$ 1,982,766
Licenses and permits	370,760	-	-	370,760
Intergovernmental	869,698	-	373,414	1,243,112
Charges for services	553,514	-	-	553,514
Fines and forfeits	81,710	-	-	81,710
Miscellaneous	137,416	667	79	138,162
Total revenues	<u>3,891,484</u>	<u>667</u>	<u>477,873</u>	<u>4,370,024</u>
<b>Expenditures:</b>				
Current -				
General government	1,041,552	-	1,116	1,042,668
Public safety	1,734,115	-	-	1,734,115
Public works	1,688,947	-	-	1,688,947
Recreation	168,226	-	-	168,226
Tourism	15,194	-	-	15,194
Urban redevelopment and housing	-	-	378,551	378,551
Capital outlay	108,909	117,776	-	226,685
Debt service	91,141	-	429,119	520,260
Total expenditures	<u>4,848,084</u>	<u>117,776</u>	<u>808,786</u>	<u>5,774,646</u>
Deficiency of revenues over expenditures	<u>(956,600)</u>	<u>(117,109)</u>	<u>(330,913)</u>	<u>(1,404,622)</u>
<b>Other financing sources (uses):</b>				
Proceeds from capital lease	105,612	-	-	105,612
Transfers in	1,500,000	-	321,759	1,821,759
Transfers out	<u>(321,759)</u>	<u>-</u>	<u>-</u>	<u>(321,759)</u>
Total other financing sources (uses)	<u>1,283,853</u>	<u>-</u>	<u>321,759</u>	<u>1,605,612</u>
Net changes in fund balances	327,253	(117,109)	(9,154)	200,990
Fund balances, beginning	<u>485,945</u>	<u>950,242</u>	<u>84,629</u>	<u>1,520,816</u>
Fund balances, ending	<u>\$ 813,198</u>	<u>\$ 833,133</u>	<u>\$ 75,475</u>	<u>\$ 1,721,806</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2021

Total net changes in fund balances at June 30, 2021 per statement of revenues, expenditures and changes in fund balances			\$ 200,990
The change in net position reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances		\$ 222,922	
Depreciation expense for the year ended June 30, 2021		<u>(474,566)</u>	(251,644)
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, principal payments are recorded as expenditures in the governmental funds but reduce the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:			
Principal payments		423,988	
Proceeds from issuance of capital leases		(105,612)	
Amortization of bond premium		<u>5,281</u>	323,657
Pension expense not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure			(27,165)
Nonemployer contributions to the municipal employees and police employees pension plans			43,224
Change in net OPEB obligation at June 30, 2021 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure			(20,545)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Interest expense		6,209	
Compensated absences		<u>(48,313)</u>	(42,104)
Total changes in net position at June 30, 2021 per statement of activities			<u>\$ 226,413</u>

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



CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Net Position  
 Proprietary Fund  
 June 30, 2021

ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 285,224
Investments	45,045
Receivables:	
Accounts, net	919,913
Accrued interest	867
Other	273,237
Due from other funds	148,684
Inventory	208,981
Prepaid items	12,942
Deposits	<u>12,000</u>
Total current assets	<u>1,906,893</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	372,044
Capital assets -	
Land and construction in progress	582,770
Other capital assets, net of accumulated depreciation	<u>8,417,154</u>
Total noncurrent assets	<u>9,371,968</u>
Total assets	<u>11,278,861</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	197,724
Deferred outflows related to postemployment benefits	<u>2,820</u>
Total deferred outflows of resources	<u>200,544</u>
LIABILITIES	
Current liabilities:	
Accounts, salaries, and other payables	1,195,346
Compensated absences	23,971
Due to other funds	709,763
Capital lease payable	17,715
Customer deposits	<u>372,044</u>
Total current liabilities	<u>2,318,839</u>
Noncurrent liabilities:	
Compensated absences	20,351
Capital lease payable	64,046
Net pension liability	603,136
Postemployment benefit obligation payable	<u>83,462</u>
Total noncurrent liabilities	<u>770,995</u>
Total liabilities	<u>3,089,834</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>28,819</u>
NET POSITION	
Net investment in capital assets	8,916,625
Unrestricted	<u>(555,873)</u>
Total net position	<u>\$ 8,360,752</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position  
 Proprietary Fund  
 For the Year Ended June 30, 2021

Operating revenues:	
Charges for services -	
Electric	\$ 4,344,307
Water	584,957
Wastewater	541,410
Permits, reconnections and penalties	<u>141,763</u>
Total operating revenues	<u>5,612,437</u>
Operating expenses:	
Electric	3,823,727
Water	684,117
Wastewater	<u>914,088</u>
Total operating expenses	<u>5,421,932</u>
Operating income	<u>190,505</u>
Nonoperating revenues (expenses):	
Investment income	2,026
Federal grant revenue	155,239
Nonemployer contribution revenue	<u>18,508</u>
Total nonoperating revenues (expenses)	<u>175,773</u>
Income before capital contributions and transfers	366,278
Capital contributions	29,213
Transfers out	<u>(1,500,000)</u>
Change in net position	(1,104,509)
Net position, beginning	<u>9,465,261</u>
Net position, ending	<u>\$ 8,360,752</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund  
 For the Year Ended June 30, 2021

Cash flows from operating activities:	
Receipts from customers	\$ 5,665,609
Payments to suppliers	(3,900,751)
Payments to employees	<u>(1,057,050)</u>
Net cash provided by operating activities	<u>707,808</u>
Cash flows from noncapital financing activities:	
Increase in customer deposits, net of refunds	11,804
Cash received from other funds	730,098
Transfers out	<u>(1,500,000)</u>
Net cash used by noncapital financing activities	<u>(758,098)</u>
Cash flows from capital and related financing activities:	
Purchase and construction of capital assets	(99,467)
Principal payments	(12,871)
Grants received	<u>7,742</u>
Net cash used by capital and related financing activities	<u>(104,596)</u>
Cash flows from investing activities:	
Maturities of investments, net of purchases	448,679
Investment income	<u>2,026</u>
Net cash provided by investing activities	<u>450,705</u>
Net increase in cash and cash equivalents	295,819
Cash and cash equivalents, beginning of period	<u>361,449</u>
Cash and cash equivalents, end of period	<u>\$ 657,268</u>

(continued)

CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund (Continued)  
 For the Year Ended June 30, 2021

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 190,505
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	352,362
Pension/OPEB expense	19,417
Changes in current assets and liabilities:	
Receivables	53,172
Inventory	(24,777)
Prepaid items	14,017
Accounts and other payables	110,150
Compensated absences	<u>(7,038)</u>
Total adjustments	<u>517,303</u>
Net cash provided by operating activities	<u>\$ 707,808</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 323,833
Cash - restricted	<u>37,616</u>
Total cash and cash equivalents	<u>361,449</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	285,224
Cash - restricted	<u>372,044</u>
Total cash and cash equivalents	<u>657,268</u>
Net increase	<u>\$ 295,819</u>
Supplemental disclosure of noncash capital and related financing activities:	
Assets acquired under capital lease	<u>\$ 94,632</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

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

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

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements

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

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

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The major funds of the City are described below:

Governmental Funds -

General Fund -

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

Capital Projects Fund -

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

Proprietary Fund -

Enterprise Fund -

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

The City's nonmajor funds are described below:

Debt Service Fund --

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

Section 8 Fund -

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

C. Measurement Focus/Basis of Accounting

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

## CITY OF ST. MARTINVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Measurement Focus

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

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

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

#### Basis of Accounting

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

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

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



CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Cash and interest-bearing deposits

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

Investments

Under state law, the City may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The City may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Codification Section 150, investments meeting the criteria specified in the Statement are stated at fair value, which is quoted market prices.

Interfund receivables and payables

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

Inventories

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

Prepays

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. The major receivable balance for the governmental activities is sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading/billing and the end of the month are estimated and recorded at June 30, 2021. All receivables are shown net of an allowance account, as applicable. At June 30, 2021, the allowance amount associated with the receivables of the Utility Fund was \$22,405.

Capital Assets

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

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

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

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

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Restricted Assets

Restricted assets include cash, interest-bearing deposits, and investments that are legally restricted as to their use. At June 30, 2021, the restricted assets were related to utility customers' deposits in the amounts of \$372,044.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Long-term debt

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

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

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

Compensated Absences

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

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

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

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Capitalization of Interest Expense

It is the policy of the City of St. Martinville to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the proprietary funds. At June 30, 2021, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

G. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2021, the City has cash and interest-bearing deposits (book balances) totaling \$1,764,791.

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

Deposit balances (bank balances) at June 30, 2021 are secured as follows:

Bank balances	<u>\$ 1,904,447</u>
Federal deposit insurance	\$ 1,362,199
Pledged securities	<u>542,248</u>
Total	<u>\$ 1,904,447</u>

Deposits in the amount of \$542,248 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the City's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. The City does not have a policy for custodial credit risk.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Investments

As of June 30, 2021, the City had the following investments and maturities:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One - Five Years</u>
Mutual Funds:				
Fixed Income	99%	\$ 50,050	\$ 50,050	\$ -
Money Market	1%	303	303	-
Total	<u>100%</u>	<u>\$ 50,353</u>	<u>\$ 50,353</u>	<u>\$ -</u>

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

Credit Risk/Concentration of Credit Risk – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City limits investments to government securities that are direct and indirect obligations of the United States Government. At June 30, 2021, investments with a fair value of 50,050 were rated AA+ by Standards & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City requires all investments to be in the City's name and all ownership securities to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the City. Accordingly, the City had no custodial credit risk related to its investments at June 30, 2021.

(4) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2021 consisted of the following:

Governmental Activities -	
State of Louisiana:	
Federal pass-through grant funds	\$ 100,605
Beer tax	3,439
Video poker	8,043
Louisiana Department of Transportation:	
Off track betting	2,324
St. Martin Parish Sheriff: - ad valorem taxes	8,805
Housing Authority - payment in lieu of taxes	35,030
Other	<u>53,975</u>
Total Governmental Activities	212,221
Business Type Activities -	
Federal Grants	<u>273,237</u>
	<u>\$ 485,458</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance <u>07/01/20</u>	Additions	Deletions	Balance <u>06/30/21</u>
<b>Governmental activities:</b>				
Assets not being depreciated:				
Land	\$ 745,390	\$ -	\$ -	\$ 745,390
Construction in progress	71,211	38,076	104,402	4,886
Assets being depreciated:				
Buildings and improvements	6,943,752	183,636	-	7,127,388
Equipment and vehicles	1,615,781	105,612	25,082	1,696,311
Infrastructure	4,492,883	-	-	4,492,883
Totals	<u>13,869,017</u>	<u>327,324</u>	<u>129,484</u>	<u>14,066,857</u>
Less accumulated depreciation:				
Buildings and improvements	4,325,756	209,189	-	4,534,945
Equipment and vehicles	978,285	153,056	25,082	1,106,259
Infrastructure	882,873	112,322	-	995,195
Total accumulated depreciation	<u>6,186,914</u>	<u>474,566</u>	<u>25,082</u>	<u>6,636,398</u>
Governmental activities, capital assets, net	<u>\$7,682,103</u>	<u>\$(147,243)</u>	<u>\$ 104,402</u>	<u>\$7,430,459</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 482,737	\$ -	\$ -	\$ 482,737
Construction in progress	-	100,033	-	100,033
Capital assets being depreciated:				
Buildings and improvements	1,043,540	-	-	1,043,540
Equipment	917,764	107,070	-	1,024,834
Wastewater and water plant	17,075,446	-	-	17,075,446
Electric lines and meters	1,857,717	-	-	1,857,717
Totals	<u>21,377,204</u>	<u>207,103</u>	<u>-</u>	<u>21,584,307</u>
Less accumulated depreciation:				
Buildings and improvements	1,034,367	836	-	1,035,203
Equipment	763,506	32,214	-	795,720
Wastewater and water plant	8,740,964	293,723	-	9,034,687
Electric lines and meters	1,693,184	25,589	-	1,718,773
Total accumulated depreciation	<u>12,232,021</u>	<u>352,362</u>	<u>-</u>	<u>12,584,383</u>
Business-type activities, capital assets, net	<u>\$9,145,183</u>	<u>\$(145,259)</u>	<u>\$ -</u>	<u>\$8,999,924</u>



CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 44,118
Public safety	81,398
Public works	155,551
Culture and recreation	139,984
Tourism	53,515
	<u>\$ 474,566</u>

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

Electric	\$ 29,426
Water	87,978
Wastewater	234,958
	<u>\$ 352,362</u>

(6) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2021:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 388,282	\$ 1,142,612	\$ 1,530,894
Contracts and retainage	-	1,538	1,538
Accrued payroll and related liabilities	150,600	51,196	201,796
Totals	<u>\$ 538,882</u>	<u>\$ 1,195,346</u>	<u>\$ 1,734,228</u>

(7) Changes in Long-Term Debt

The following is a summary of the changes for the year ended June 30, 2021:

	Balance 7/1/2020	Additions	Reductions	Balance 6/30/2021
Governmental Activities:				
General obligation bonds	\$ 1,380,000	\$ -	\$ 65,000	\$ 1,315,000
Sales tax revenue bonds	855,013	-	50,000	805,013
Series 2012 refunding bonds	995,000	-	235,000	760,000
Capital lease	290,094	105,612	73,988	321,718
Compensated absences	111,680	92,949	44,636	159,993
	<u>3,631,787</u>	<u>198,561</u>	<u>468,624</u>	<u>3,361,724</u>
Unamortized bond premium	19,803	-	5,281	14,522
Total governmental activities	<u>\$ 3,651,590</u>	<u>\$ 198,561</u>	<u>\$ 473,905</u>	<u>\$ 3,376,246</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

	Balance 7/1/2020	Additions	Reductions	Balance 6/30/2021
Business-type Activities:				
Capital lease	\$ -	\$ 94,632	\$ 12,871	\$ 81,761
Compensated absences	51,360	19,271	26,309	44,322
Total business-type activities	<u>\$ 51,360</u>	<u>\$ 113,903</u>	<u>\$ 39,180</u>	<u>\$ 126,083</u>

Long-term debt at June 30, 2021 is comprised of the following:

Governmental activities –

		Current Portion
\$2,485,000 Street Improvement Refunding Bonds Series 2012 dated June 29, 2012; due in annual installments of \$20,000 to \$260,000 through April 1, 2024; interest at 2.55 percent, payable from and secured by a pledge and dedication of excess revenues.	\$ 760,000	\$ 245,000
\$1,500,000 General Obligation Bond Series 2016 dated March 10, 2016; due in annual installments of \$60,000 - \$115,000 through March 1, 2036; interest at 3.00 percent and payable from and secured by levy collection of ad valorem taxes.	1,315,000	65,000
\$944,013 Sales Tax Bond, Series 2015 issued by Louisiana Department of Environmental Quality; due in annual installments of \$92,000 to \$99,000 through January 1, 2029; interest at 0.45 percent, payable from sales tax collections. Interest and administrative fees amounted to \$5,659 and \$6,288, respectively, for the year ended June 30, 2021.	<u>805,013</u>	<u>94,000</u>
Total bonds payable	2,880,013	404,000
Add: premium on issuance of debt	<u>14,522</u>	
Net bonds payable	<u>2,894,535</u>	

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(Continued)

Capital Lease -

\$228,623 vehicle lease dated August 8, 2019, due in 60 monthly installments of \$754, including interest at 5.50 percent, through August 8, 2024, secured by General Fund revenues and assets with a carrying value of \$146,486 at June 30, 2021.	151,979	45,172
\$75,413 equipment lease dated Febaury 10, 2020, due in 60 monthly installments of \$1,457, including interest at 6.06 percent, through August 8, 2024, secured by General Fund revenues and assets with a carrying value of \$67,557 at June 30, 2021.	57,223	14,347
\$26,233 equipment lease dated April 9, 2020, due in 60 monthly installments of \$754, including interest at 5.45 percent, through August 8, 2024, secured by General Fund revenues and assets with a carrying value of \$21,548 at June 30, 2021.	18,032	5,906
\$29,357.25 vehicle lease dated August 4, 2020, due in 60 monthly installments of \$548, including interest at 4.75 percent, through July 4, 2025, secured by General Fund revenues and assets with a carrying value of \$23,975 at June 30, 2021.	24,386	5,543
\$34,230 equipment lease dated November 13, 2020, due in 60 monthly installments of \$640, including interest at 4.75 percent, through October 13, 2025, secured by General Fund revenues and assets with a carrying value of \$29,666 at June 30, 2021.	29,481	5,866
\$42,025 equipment lease dated May 18, 2021, due in 60 monthly installments of \$790, including interest at 5.00 percent, through April 18, 2026, secured by General Fund revenues and assets with a carrying value of \$41,324 at June 30, 2021.	<u>40,617</u>	<u>7,620</u>
Total capital lease payable	<u>321,718</u>	<u>84,454</u>
Total governmental activities long-term liabilities	<u>\$3,216,253</u>	<u>\$ 488,454</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(Continued)

Business-type activities

Utility Fund

\$25,811 vehicle lease dated August 4, 2020, due in 60 monthly installments of \$482, including interest at 4.75 percent, through July 4, 2025, secured by Utility Fund revenues and assets with a carrying value of \$21,079 at June 30, 2021.

21,440                      4,874

\$68,820 equipment lease dated November 13, 2020, due in 60 monthly installments of \$1,286, including interest at 4.75 percent, through October 13, 2025, secured by Utility Fund revenues and assets with a carrying value of \$59,644 at June 30, 2021.

60,321                      12,841

Total capital lease payable- business-type activities

\$ 81,761                      \$ 17,715

The annual requirements to amortize debt outstanding at June 30, 2021 are as follows:

June 30,	Governmental Activities				Business-Type Activities	
	Bonds		Capital Lease		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 404,000	\$ 59,666	\$ 84,454	\$ 15,199	\$ 17,715	\$ 3,501
2023	420,000	52,782	90,285	10,613	18,575	2,641
2024	426,000	43,752	93,515	5,563	19,476	1,740
2025	172,000	34,515	42,665	1,456	20,422	794
2026	172,000	31,829	10,798	205	5,573	52
2027-2031	761,013	115,629	-	-	-	-
2032-2036	525,000	40,875	-	-	-	-
Totals	<u>\$ 2,880,013</u>	<u>\$ 379,048</u>	<u>\$ 321,718</u>	<u>\$ 33,036</u>	<u>\$ 81,761</u>	<u>\$ 8,728</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Pension Plans

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

**Plan Descriptions:**

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

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

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

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

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

<sup>1</sup> With actuarial reduced benefits

<sup>2</sup> Membership commencing January 1, 2013

<sup>3</sup> Under non hazardous duty sub plan commencing January 1, 2013

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

**Contributions**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2021 for the defined benefit pension plans in which the City is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Nonemployer Contributing Entities</u>	<u>Government Contributions</u>
MERS	5.00%	14.00%	\$ 46,204	\$ 217,333
MPERS	10.00%	32.25%	15,528	62,240
Total			<u>\$ 61,732</u>	<u>\$ 279,573</u>

**Net Pension Liability**

The City's net pension liability at June 30, 2021 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2020 for both plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 1,505,687	1.661490%	0.115376%
MPERS	658,405	0.071238%	0.025794%
Total	<u>\$ 2,164,092</u>		

Since the measurement date of the net pension liability was June 30, 2020, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows: MERS – <http://www.mersla.com> ; MPERS – <http://lampers.org/> . . .

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

**Actuarial Assumptions**

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

	MERS	MPERS
Date of experience study	7/1/2013-6/30/2018	7/1/2014-6/30/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	6.95%, net of investment expense	6.950%, net of investment expense
Expected remaining service lives	3	4
Inflation rate	2.500%	2.500%
Projected salary increases	4.9% - 7.4%	4.70% - 12.30%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)

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

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

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

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

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

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

**Cost of Living Adjustments**

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

**Discount Rate**

The discount rate used to measure the total pension liability for MERS was 6.950%, which was a decrease of 0.050% from the prior year valuation. The discount rate used to measure the total pension liability for MPERS was 6.950%, which was a decrease of 0.175% from the prior year valuation. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Long-term Rate of Return**

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

Asset Class	MERS		MPERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Public equity	53%	2.33%	48.5%	3.08%
Public fixed income	38%	1.67%	33.5%	0.54%
Alternative Investments	9%	0.40%	18.0%	1.02%
Totals	<u>100%</u>	4.40%	<u>100%</u>	4.64%
Inflation		2.60%		2.55%
Expected arithmetic nominal return		<u>7.00%</u>		<u>7.19%</u>



CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2021, the City recognized \$238,015 and \$93,913 in pension expense related to MERS and MPERS, respectively.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	MERS	MPERS	Total
Changes of assumptions	\$ 46,663	\$ 15,645	\$ 62,308
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	59,084	159,466	218,550
Net differences between projected and actual earnings on plan investments	163,464	78,989	242,453
Contributions subsequent to the measurement date	224,394	66,087	290,481
Total	<u>\$ 493,605</u>	<u>\$ 320,187</u>	<u>\$ 813,792</u>

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 25,335	\$ 25,934	\$ 51,269
Changes of assumptions		16,248	16,248
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	46,610	59,687	106,297
Total	<u>\$ 71,945</u>	<u>\$ 101,869</u>	<u>\$ 173,814</u>

Deferred outflows of resources of \$279,573 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the subsequent year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended	MERS	MPERS	Total
<u>June 30</u>			
2021	\$ 58,922	\$ 6,039	\$ 64,961
2022	77,161	63,259	140,420
2023	37,242	67,930	105,172
2024	23,941	15,003	38,944
	<u>\$ 197,266</u>	<u>\$ 152,231</u>	<u>\$ 349,497</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.950%	\$2,004,349	\$ 1,505,687	\$ 1,083,748
MPERS	6.950%	924,989	658,405	435,552
Total		<u>\$2,929,338</u>	<u>\$ 2,164,092</u>	<u>\$ 1,519,300</u>

**Payables to the Pension Plans**

At June 30, 2021, the City's payables were \$31,877 and \$6,555 to MERS and MPERS, respectively, for the month of June 2021, which were the contractually required contributions.

(9) Postretirement Health Care and Life Insurance Benefits

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

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

*Employees covered by benefit terms* - At July 1, 2020, the following employees were covered by the medical plan terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>48</u>
Total	<u>52</u>

A total of 48 active and 4 retirees have one or more health coverages.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

**Total OPEB Liability**

The City's total OPEB liability of \$417,310 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the June 30, 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	3.0%
Salary increases	3.5%
Discount rate, including inflation	2.21%
Medical healthcare cost trend rate, flat annually	4.5%
Dental/vision healthcare cost trend rate, flat annually	3.0%
Mortality	RH-2014 Total Table

**Changes in the Total OPEB Liability**

Balance at June 30, 2020	\$ 395,359
Changes for the year:	
Service cost	46,285
Interest	9,388
Benefit payments and net transfers	<u>(33,722)</u>
Net changes	<u>21,951</u>
Balance at June 30, 2021	<u>\$ 417,310</u>

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1.00% Decrease 1.21%	Current Discount Rate 2.21%	1.00% Increase 3.21%
Total OPEB liability	<u>\$ 443,809</u>	<u>\$ 417,310</u>	<u>\$ 391,853</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

	1.00% Decrease <u>3.5%</u>	Current Trend Rate <u>4.5%</u>	1.00% Increase <u>5.5%</u>
Total OPEB liability	<u>\$376,760</u>	<u>\$ 417,310</u>	<u>\$ 465,087</u>

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$55,673. At June 30, 2021, there were no deferred inflows with \$14,098 of deferred outflows of resources related to OPEB.

(10) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2021:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 806,463	\$ 272,539
Capital Projects Funds	31,968	20,840
Enterprise Fund:		
Utility Fund	148,684	709,763
Nonmajor Funds	<u>174,917</u>	<u>158,890</u>
Total	<u>\$1,162,032</u>	<u>\$1,162,032</u>

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

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Interfund transfers

Interfund transfers consisted of the following at June 30, 2021:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 1,500,000	\$ 321,759
Enterprise Fund:		
Utility Fund	-	1,500,000
Nonmajor Funds	<u>321,759</u>	<u>-</u>
Total	<u>\$ 1,821,759</u>	<u>\$ 1,821,759</u>

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

(11) Dedication of Sales Tax Revenues

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

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

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

Sales and use tax revenues for the fiscal year ended June 30, 2021 were \$1,751,515. Proceeds from the taxes and all reasonable and necessary costs and expenses of collecting the taxes are recorded in the General Fund.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Ad Valorem Taxes

For the year ended June 30, 2021, taxes of 8.65 mills were levied on property with assessed valuations totaling \$23,322,477 and were dedicated as follows:

General alimony	4.02 mills
Public improvement bonds	4.57 mills

Total taxes levied for the year ended June 30, 2021 were \$200,341. The taxes are levied and assessed in June of each year. Tax bills are mailed in November, due on December 31, and are delinquent if unpaid as of January 1.

(13) Contracts

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

During the year ended June 30, 2021, the City purchased power from CLECO in the amount of \$2,708,658 of which \$839,997 was payable at year end. This amount has been accrued in the accompanying financial statements.

(14) Fair Value Measurements

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

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

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2021:

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds:				
Fixed Income	\$ 50,050	\$ -	\$ 50,050	\$ -

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(15) Compensation of City Council

The compensation paid to the council members for the year ended June 30, 2021 follows:

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

(16) Risk Management

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

(17) On-behalf Payments

The City has recognized \$97,134 as a revenue and an expenditure for on-behalf salary payments made by the state of Louisiana.

(18) Contingencies

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

At June 30, 2021, the City is a defendant in a lawsuit. Although the outcome of the lawsuit is not presently determinable, in the opinion of the City's attorney, any judgements rendered in favor of the plaintiff or payments resulting from compromise settlements, if any, will be within the limits of the various insurance coverages carried by the City. The pending lawsuit is not related to any projects funded by the Louisiana Department of Environmental Quality.

(19) Tax Abatements

The City is subject to tax abatements granted by the Louisiana Board of Commerce and Energy. The program has a purpose of increasing business activity and employment in the City. Under the program, companies commit to expand or maintain facilities or employment, establish a new business, or relocate an existing business to the City. Agreements include an abatement of ad valorem taxes for a period of 10 years from the initial assessment period. These abatements result in a reduction of property taxes. At June 30, 2021, the City's ad valorem taxes were reduced by \$4,271 for industrial exemptions in effect.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

The schedule of compensation, benefits, and other payments to the Mayor for the year ended June 30, 2021 follows:

Melinda Mitchell, Mayor

Salary	\$ 56,395
Benefits - insurance	728
Benefits - retirement	<u>8,741</u>
Total	<u>\$ 65,864</u>

(21) New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements which were not required to be implemented during the current fiscal year.

- GASB Statement No. 87, "Leases." The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.
- GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." The requirements of this Statement are effective for fiscal year beginning after December 15, 2021.
- GASB Statement No. 91, "Conduit Debt Obligations." The requirements of this Statement are effective for fiscal year beginning after December 15, 2021.

(22) Subsequent Events

- A. On September 24, 2021, the City of St Martinville issued \$250,000 of Revenue Anticipation Note Series 2021, not exceeding 5% interest rate and 1 year term for the purpose of paying current operations in anticipation of revenues.
- B. As a result of the spread of the COVID-19 Coronavirus, economic uncertainties have arisen which may have and continue to impact the City's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.



**REQUIRED  
SUPPLEMENTARY INFORMATION**

CITY OF ST. MARTINVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Taxes	\$ 1,722,500	\$ 1,870,096	\$ 1,878,386	\$ 8,290
Licenses and permits	405,000	365,416	370,760	5,344
Intergovernmental	425,000	802,921	869,698	66,777
Charges for services	574,500	553,835	553,514	(321)
Fines and forfeitures	106,662	94,639	81,710	(12,929)
Miscellaneous income	100,250	135,496	137,416	1,920
Total revenues	<u>3,333,912</u>	<u>3,822,403</u>	<u>3,891,484</u>	<u>69,081</u>
<b>Expenditures:</b>				
Current -				
General government	922,426	1,136,798	1,041,552	95,246
Public safety	1,562,553	1,760,925	1,734,115	26,810
Public works	1,581,109	1,674,943	1,688,947	(14,004)
Recreation	201,399	157,417	168,226	(10,809)
Tourism	113,020	15,594	15,194	400
Capital outlay	268,000	182,192	108,909	73,283
Debt service	111,333	86,865	91,141	(4,276)
Total expenditures	<u>4,759,840</u>	<u>5,014,734</u>	<u>4,848,084</u>	<u>166,650</u>
Deficiency of revenues over expenditures	<u>(1,425,928)</u>	<u>(1,192,331)</u>	<u>(956,600)</u>	<u>235,731</u>
<b>Other financing sources (uses):</b>				
Proceeds from capital lease	-	254,856	105,612	(149,244)
Transfers in	1,250,000	1,500,000	1,500,000	-
Transfers out	(266,000)	(300,000)	(321,759)	(21,759)
Total other financing sources (uses)	<u>984,000</u>	<u>1,454,856</u>	<u>1,283,853</u>	<u>(171,003)</u>
Net change in fund balance	(441,928)	262,525	327,253	64,728
Fund balance, beginning	<u>485,945</u>	<u>485,945</u>	<u>485,945</u>	<u>-</u>
Fund balance, ending	<u>\$ 44,017</u>	<u>\$ 748,470</u>	<u>\$ 813,198</u>	<u>\$ 64,728</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Changes in Net OPEB Liability and Related Ratios  
For the Year Ended June 30, 2021

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

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

CITY OF ST. MARTINVILLE

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2021\*

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

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

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

CITY OF ST. MARTINVILLE, LOUISIANA

Schedule of Employer Pension Contributions  
For the Year Ended June 30, 2021

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

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

CITY OF ST. MARTINVILLE

Notes to the Required Supplementary Information  
For the Year Ended June 30, 2021

(1) Budget and Budgetary Accounting

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

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

(2) Excess Expenditures Over Appropriations

For the year ended June 30, 2021, the General Fund had actual expenditures over appropriations as follows:

	Final Budget	Actual	Excess
Public Works	\$ 1,674,943	\$ 1,688,947	\$ (14,004)
Recreation	157,417	168,226	(10,809)
Debt Service	86,865	91,141	(4,276)

(3) Pension Plans

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

CITY OF ST. MARTINVILLE

Notes to the Required Supplementary Information  
For the Year Ended June 30, 2021

(4) Other Postemployment Benefits

- a) Benefit changes – There were no changes of benefit terms.
- b) Changes of assumptions – There were no changes in assumptions.

**OTHER SUPPLEMENTARY INFORMATION**



CITY OF ST. MARTINVILLE, LOUISIANA

Statement of Net Position

June 30, 2021

With Comparative Totals as of June 30, 2020

	2021			2020 Totals
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and interest-bearing deposits	\$ 1,107,523	\$ 285,224	\$ 1,392,747	\$ 1,725,576
Investments	5,308	45,045	50,353	176,400
Receivables, net	301,050	920,780	1,221,830	1,179,185
Internal balances	561,079	(561,079)	-	-
Due from other governmental units	212,221	273,237	485,458	541,037
Inventories	47,778	208,981	256,759	229,747
Prepaid items	44,829	12,942	57,771	110,337
Deposits	-	12,000	12,000	12,000
<b>Total current assets</b>	<b>2,279,788</b>	<b>1,197,130</b>	<b>3,476,918</b>	<b>3,974,282</b>
<b>Noncurrent assets:</b>				
<b>Restricted assets -</b>				
Cash and interest-bearing deposits	-	372,044	372,044	37,616
Investments	-	-	-	322,624
<b>Capital assets -</b>				
Land and construction in progress	750,276	582,770	1,333,046	1,299,338
Capital assets, net	6,680,183	8,417,154	15,097,337	15,527,948
<b>Total noncurrent assets</b>	<b>7,430,459</b>	<b>9,371,968</b>	<b>16,802,427</b>	<b>17,187,526</b>
<b>Total assets</b>	<b>9,710,247</b>	<b>10,569,098</b>	<b>20,279,345</b>	<b>21,161,808</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	616,068	197,724	813,792	535,221
Deferred outflows related to postemployment benefits	11,278	2,820	14,098	17,827
<b>Total deferred outflows of resources</b>	<b>627,346</b>	<b>200,544</b>	<b>827,890</b>	<b>553,048</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts, salaries, and other payables	538,882	1,195,346	1,734,228	1,557,546
Compensated absences payable	53,883	23,971	77,854	37,186
Unearned revenue	14,050	-	14,050	6,168
Customer deposits	5,050	372,044	377,094	364,590
Capital lease payable	84,454	17,715	102,169	62,338
Bonds payable	404,000	-	404,000	393,000
Accrued interest	17,995	-	17,995	24,204
<b>Total current liabilities</b>	<b>1,118,314</b>	<b>1,609,076</b>	<b>2,727,390</b>	<b>2,445,032</b>
<b>Noncurrent liabilities:</b>				
Compensated absences payable	106,110	20,351	126,461	125,854
Capital lease payable	237,264	64,046	301,310	227,756
Bonds payable	2,490,535	-	2,490,535	2,856,816
Net pension liability	1,560,956	603,136	2,164,092	1,765,269
Postemployment benefit obligation payable	333,848	83,462	417,310	395,359
<b>Total noncurrent liabilities</b>	<b>4,728,713</b>	<b>770,995</b>	<b>5,499,708</b>	<b>5,371,054</b>
<b>Total liabilities</b>	<b>5,847,027</b>	<b>2,380,071</b>	<b>8,227,098</b>	<b>7,816,086</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	144,995	28,819	173,814	314,351
<b>NET POSITION</b>				
Net investment in capital assets	5,067,405	8,916,625	13,984,030	14,268,820
<b>Restricted:</b>				
Purpose of grantor	24,709	-	24,709	29,802
Capital projects	833,133	-	833,133	950,242
Debt service	50,766	-	50,766	54,827
Unrestricted (deficit)	(1,630,442)	(555,873)	(2,186,315)	(1,719,272)
<b>Total net position</b>	<b>\$ 4,345,571</b>	<b>\$ 8,360,752</b>	<b>\$ 12,706,323</b>	<b>\$ 13,584,419</b>

CITY OF ST. MARTINVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2021  
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
<b>Taxes -</b>					
Ad valorem	\$ 90,500	\$ 91,000	\$ 91,841	\$ 841	\$ 90,882
Payments in lieu of taxes	32,000	32,000	35,030	3,030	33,691
Sales	1,600,000	1,747,096	1,751,515	4,419	1,676,313
<b>Total taxes</b>	<b>1,722,500</b>	<b>1,870,096</b>	<b>1,878,386</b>	<b>8,290</b>	<b>1,800,886</b>
<b>Licenses and permits -</b>					
Occupational and liquor licenses	290,000	222,276	238,353	16,077	241,857
Franchise, fees, and permits	115,000	143,140	132,407	(10,733)	90,639
<b>Total licenses and permits</b>	<b>405,000</b>	<b>365,416</b>	<b>370,760</b>	<b>5,344</b>	<b>332,496</b>
<b>Intergovernmental -</b>					
Federal and state grants	-	369,437	359,726	(9,711)	295,929
State revenue sharing	2,000	2,362	3,543	1,181	3,040
Beer tax	12,000	13,894	9,804	(4,090)	12,436
Video poker/Off track betting	275,000	303,681	385,987	82,306	291,551
Local grants	40,000	20,745	2,500	(18,245)	-
Other	-	3,735	11,004	7,269	7,270
On behalf payments	96,000	89,067	97,134	8,067	83,800
<b>Total intergovernmental</b>	<b>425,000</b>	<b>802,921</b>	<b>869,698</b>	<b>66,777</b>	<b>694,026</b>
<b>Charges for services -</b>					
Garbage	514,000	525,526	526,004	478	513,833
Grass cutting fees	11,500	9,130	9,556	426	4,620
Recreation	38,000	15,379	11,706	(3,673)	22,523
Tourism center	11,000	3,800	6,248	2,448	10,990
<b>Total charges for services</b>	<b>574,500</b>	<b>553,835</b>	<b>553,514</b>	<b>(321)</b>	<b>551,966</b>
Fines and forfeits	106,662	94,639	81,710	(12,929)	106,662
<b>Miscellaneous -</b>					
Sale of assets	-	14,650	15,925	1,275	54,609
Interest	250	169	155	(14)	479
Other	100,000	120,677	121,336	659	114,086
<b>Total miscellaneous</b>	<b>100,250</b>	<b>135,496</b>	<b>137,416</b>	<b>1,920</b>	<b>169,174</b>
<b>Total revenues</b>	<b>\$3,333,912</b>	<b>\$3,822,403</b>	<b>\$3,891,484</b>	<b>\$ 69,081</b>	<b>\$ 3,655,210</b>

CITY OF ST. MARTINVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2021  
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Budget		Actual	Variance with Final Budget	2020 Actual
	Original	Final		Positive (Negative)	
Current:					
General government -					
Mayor and council salaries	\$ 100,000	\$ 101,896	\$ 101,134	\$ 762	\$ 101,210
Other salaries and wages	341,391	326,027	282,206	43,821	296,761
Retirement	40,724	52,661	55,311	(2,650)	50,974
Group insurance	62,569	33,928	37,676	(3,748)	55,365
Payroll taxes	26,799	33,349	28,045	5,304	30,345
Auto allowance	-	-	18	(18)	4,000
Insurance	55,200	115,468	99,509	15,959	94,870
Office	35,000	18,920	40,260	(21,340)	58,835
Advertising	8,000	4,056	7,526	(3,470)	10,149
Dues	1,750	7,275	7,325	(50)	1,698
Claim payments	-	983	3,157	(2,174)	57,107
Legal and professional fees	98,000	100,277	103,030	(2,753)	105,897
Magistrate	12,600	18,000	19,500	(1,500)	16,650
Travel and conferences	7,000	-	238	(238)	6,045
Fuel	2,500	632	664	(32)	1,374
Indigent defendants cost	49,500	38,356	24,695	13,661	34,011
Telephone and postage	5,000	34,390	10,647	23,743	16,249
Rent	5,143	1,424	-	1,424	-
Repairs and maintenance	5,000	2,396	86,860	(84,464)	20,325
Collection expense	22,000	26,377	24,084	2,293	26,330
Contribution - SMEDA	14,000	14,000	14,137	(137)	7,965
Inspection fees	20,000	57,786	52,456	5,330	20,254
COVID 19 expense	-	-	2,866	(2,866)	2,200
Hurricane	-	-	15,094	(15,094)	-
Grant repayment	-	126,893	-	126,893	-
Uniforms	250	-	-	-	-
Miscellaneous	10,000	21,704	25,114	(3,410)	11,659
Total general government	<u>922,426</u>	<u>1,136,798</u>	<u>1,041,552</u>	<u>95,246</u>	<u>1,030,273</u>
Public safety -					
Salaries	971,804	1,029,108	1,005,273	23,835	1,014,360
Retirement	80,736	63,302	66,087	(2,785)	74,141
Group insurance	125,370	135,163	136,499	(1,336)	154,711
Payroll taxes	76,095	77,378	73,181	4,197	72,527
Workman's comp	29,774	57,476	49,610	7,866	46,103
Insurance	122,100	188,636	131,733	56,903	132,730

(continued)

CITY OF ST. MARTINVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2021  
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Actual	Variance with Final Budget Positive (Negative)	2020 Actual
	Budget				
	Original	Final			
Public safety (continued) -					
Computer maintenance	-	27,440	-	27,440	-
Claim Payments	-	-	56,316	(56,316)	-
Supplies	14,800	29,527	27,720	1,807	29,842
Telephone	27,000	45,078	42,660	2,418	43,423
Advertising	-	-	-	-	1,918
Dues and subscriptions	500	2,862	2,385	477	297
Legal and professional fees	2,500	-	26,027	(26,027)	33,434
Training	8,000	3,426	6,527	(3,101)	2,793
Prisoner	1,000	38	32	6	1,090
Travel and conferences	2,000	-	-	-	3,074
Fuel	37,500	40,450	40,915	(465)	46,350
Repairs and maintenance	40,246	43,326	50,147	(6,821)	59,644
Drug testing	2,500	2,375	1,439	936	85
Equipment	5,000	4,823	2,278	2,545	17,872
Uniforms	7,500	6,007	7,076	(1,069)	11,228
Miscellaneous	8,128	4,510	8,210	(3,700)	7,922
Total public safety	<u>1,562,553</u>	<u>1,760,925</u>	<u>1,734,115</u>	<u>26,810</u>	<u>1,753,544</u>
Public works -					
Salaries	482,983	568,122	591,991	(23,869)	598,262
Retirement	55,035	75,068	77,599	(2,531)	53,230
Group insurance	50,055	105,348	103,802	1,546	87,563
Workman's comp	32,069	105,313	80,745	24,568	57,498
Payroll taxes	36,948	27,946	25,887	2,059	41,108
Contract labor	104,640	13,130	17,342	(4,212)	29,585
Claim payments	-	-	7,141	(7,141)	-
Insurance	90,600	65,046	63,116	1,930	64,916
Supplies	19,500	27,018	23,919	3,099	47,459
Legal and professional fees	50,000	910	8,717	(7,807)	32,987
Telephone and postage	7,706	14,554	15,200	(646)	10,666
Auto	55,634	31,255	35,004	(3,749)	31,245
Travel and conferences	500	-	-	-	-
Repairs and maintenance	62,100	85,375	90,487	(5,112)	51,527
Street repairs and maintenance	42,500	25,788	30,397	(4,609)	64,687
Miscellaneous	7,100	11,540	3,653	7,887	1,995
Dog pound	14,500	17,050	14,208	2,842	14,220
Waste collection	467,739	499,178	497,562	1,616	477,114
Uniforms	1,500	2,302	2,177	125	-
Total public works	<u>1,581,109</u>	<u>1,674,943</u>	<u>1,688,947</u>	<u>(14,004)</u>	<u>1,664,062</u>

(continued)

CITY OF ST. MARTINVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2021  
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Actual	Variance with	2020 Actual
	Budget			Final Budget	
	Original	Final		Positive (Negative)	
Recreation -					
Salaries	105,256	74,124	68,050	6,074	138,692
Retirement	6,963	1,693	1,599	94	5,299
Group insurance	-	3,174	3,336	(162)	17,007
Payroll taxes	8,263	5,730	5,144	586	10,389
Insurance	27,600	25,573	25,335	238	21,499
Workman's comp	4,217	6,096	22,380	(16,284)	9,654
Contract labor	9,000	-	(53)	53	13,793
Supplies	10,000	12,340	11,558	782	15,205
Legal and professional fees	6,000	4,104	4,153	(49)	6,848
Fuel	1,500	530	442	88	2,812
Utilities	12,000	16,768	20,802	(4,034)	19,691
Repairs and maintenance	10,000	3,316	4,241	(925)	12,408
Uniforms	300	-	-	-	-
Travel	-	-	1,025	(1,025)	-
Miscellaneous	300	3,969	214	3,755	690
Total recreation	<u>201,399</u>	<u>157,417</u>	<u>168,226</u>	<u>(10,809)</u>	<u>273,987</u>
Tourism -					
Salaries	74,287	-	-	-	56,281
Group insurance	-	1,429	1,436	(7)	7,503
Payroll taxes	5,683	-	-	-	4,225
Dues and subscriptions	750	-	-	-	1,675
Economic development	4,500	-	-	-	3,610
Workman's comp	300	-	-	-	1,834
Supplies	1,500	511	511	-	1,507
Repairs and maintenance	20,000	92	1,958	(1,866)	5,114
Utilities and telephone	2,000	8,860	8,628	232	2,023
Advertising	1,000	-	-	-	389
Miscellaneous	1,500	4,702	1,869	2,833	1,636
Travel and conferences	1,500	-	-	-	105
Total tourism	<u>113,020</u>	<u>15,594</u>	<u>15,194</u>	<u>400</u>	<u>85,902</u>
Capital outlay	<u>268,000</u>	<u>182,192</u>	<u>108,909</u>	<u>73,283</u>	<u>368,885</u>
Debt service:					
Principal retirement	93,405	70,550	73,988	(3,438)	45,734
Interest	17,928	16,315	17,153	(838)	11,193
Total debt service	<u>111,333</u>	<u>86,865</u>	<u>91,141</u>	<u>(4,276)</u>	<u>56,927</u>
Total expenditures	<u>\$ 4,759,840</u>	<u>\$ 5,014,734</u>	<u>\$ 4,848,084</u>	<u>\$ 166,650</u>	<u>\$ 5,233,580</u>

CITY OF ST. MARTINVILLE, LOUISIANA  
Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 2021  
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance with Final Budget Positive (Negative)	2020 Actual
	Budget	Actual		
<b>Revenues:</b>				
Intergovernmental -				
Federal grants	\$ 38,730	\$ -	\$ (38,730)	\$ -
Miscellaneous	726	667	(59)	1,031
Total revenues	<u>39,456</u>	<u>667</u>	<u>(38,789)</u>	<u>1,031</u>
<b>Expenditures:</b>				
General government -				
Miscellaneous	155	-	155	-
Capital outlay -				
Recreation	138,688	117,776	20,912	71,239
Sewer improvements	-	-	-	30,668
Streets and drainage	2,910	-	2,910	-
Total capital outlay	<u>141,598</u>	<u>117,776</u>	<u>23,822</u>	<u>101,907</u>
Total expenditures	<u>141,753</u>	<u>117,776</u>	<u>23,977</u>	<u>101,907</u>
Deficiency of revenues over expenditures	<u>(102,297)</u>	<u>(117,109)</u>	<u>(14,812)</u>	<u>(100,876)</u>
Net change in fund balance	(102,297)	(117,109)	(14,812)	(100,876)
Fund balance, beginning	<u>950,242</u>	<u>950,242</u>	-	<u>1,051,118</u>
Fund balance, ending	<u>\$ 847,945</u>	<u>\$ 833,133</u>	<u>\$ (14,812)</u>	<u>\$ 950,242</u>

**NON MAJOR GOVERNMENTAL  
FUND DESCRIPTIONS**

**SECTION 8 FUND**

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

**DEBT SERVICE FUND**

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

CITY OF ST. MARTINVILLE, LOUISIANA  
Nonmajor Governmental Funds

Combining Balance Sheet  
June 30, 2021

	<u>Section 8 Fund</u>	<u>2008 Debt Service Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 49,289	\$ 26,573	\$ 75,862
Due from other governmental units	-	241	241
Due from other funds	<u>3,321</u>	<u>171,596</u>	<u>174,917</u>
 Total assets	 <u>\$ 52,610</u>	 <u>\$ 198,410</u>	 <u>\$ 251,020</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,376	\$ 160	\$ 1,536
Accrued expenses	1,069	-	1,069
Due to other funds	11,406	147,484	158,890
Unearned Revenue	<u>14,050</u>	<u>-</u>	<u>14,050</u>
Total liabilities	<u>27,901</u>	<u>147,644</u>	<u>175,545</u>
Fund balances:			
Restricted	<u>24,709</u>	<u>50,766</u>	<u>75,475</u>
 Total liabilities and fund balances	 <u>\$ 52,610</u>	 <u>\$ 198,410</u>	 <u>\$ 251,020</u>



CITY OF ST. MARTINVILLE, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
For the Year Ended June 30, 2021

	Section 8 Fund	2008 Debt Service Fund	Total
Revenues:			
Ad valorem taxes	\$ -	\$ 104,380	\$ 104,380
Federal grants	373,414	-	373,414
Miscellaneous	<u>44</u>	<u>35</u>	<u>79</u>
Total revenues	<u>373,458</u>	<u>104,415</u>	<u>477,873</u>
Expenditures:			
Current -			
General government	-	1,116	1,116
Urban redevelopment and housing	378,551	-	378,551
Debt service	<u>-</u>	<u>429,119</u>	<u>429,119</u>
Total expenditures	<u>378,551</u>	<u>430,235</u>	<u>808,786</u>
Deficiency of revenues over expenditures	(5,093)	(325,820)	(330,913)
Other financing sources:			
Transfers in	<u>-</u>	<u>321,759</u>	<u>321,759</u>
Net changes in fund balances	(5,093)	(4,061)	(9,154)
Fund balances, beginning	<u>29,802</u>	<u>54,827</u>	<u>84,629</u>
Fund balances, ending	<u>\$ 24,709</u>	<u>\$ 50,766</u>	<u>\$ 75,475</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Comparative Statement of Net Position  
Enterprise Fund  
June 30, 2021 and 2020

	Utility Fund	
	2021	2020
<b>ASSETS</b>		
Current assets:		
Cash and interest-bearing deposits	\$ 285,224	\$ 323,833
Investments	45,045	171,100
Receivables:		
Accounts	919,913	973,085
Accrued interest	867	867
Other	273,237	109,531
Due from other funds	148,684	362,313
Inventory	208,981	184,204
Prepaid items	12,942	26,959
Deposits	12,000	12,000
Total current assets	<u>1,906,893</u>	<u>2,163,892</u>
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing deposits	372,044	37,616
Investments	-	322,624
Capital assets -		
Land and construction in progress	582,770	482,737
Other capital assets, net of accumulated depreciation	<u>8,417,154</u>	<u>8,662,446</u>
Total noncurrent assets	<u>9,371,968</u>	<u>9,505,423</u>
Total assets	<u>11,278,861</u>	<u>11,669,315</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	197,724	158,645
Deferred outflows related to postemployment benefits	<u>2,820</u>	<u>3,565</u>
Total deferred outflows of resources	<u>200,544</u>	<u>162,210</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts, salaries, and other payables	1,195,346	1,085,196
Compensated absences	23,971	8,951
Due to other funds	709,763	193,294
Capital lease payable	17,715	-
Customer deposits	<u>372,044</u>	<u>360,240</u>
Total current liabilities	<u>2,318,839</u>	<u>1,647,681</u>
Noncurrent liabilities:		
Compensated absences	20,351	42,409
Capital lease payable	64,046	-
Net pension liability	603,136	527,499
Postemployment benefit obligation payable	<u>83,462</u>	<u>79,072</u>
Total noncurrent liabilities	<u>770,995</u>	<u>648,980</u>
Total liabilities	<u>3,089,834</u>	<u>2,296,661</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	<u>28,819</u>	<u>69,603</u>
<b>NET POSITION</b>		
Net investment in capital assets	8,916,625	9,145,183
Unrestricted	<u>(555,873)</u>	<u>320,078</u>
Total net position	<u>\$ 8,360,752</u>	<u>\$ 9,465,261</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position  
 Enterprise Fund  
 For the Years Ended June 30, 2021 and 2020

	Utility Fund	
	2021	2020
Operating revenues:		
Charges for services -		
Electric	\$ 4,344,307	\$ 4,426,042
Water	584,957	608,216
Wastewater	541,410	563,192
Permits, reconnections and penalties	141,763	165,300
Total operating revenues	<u>5,612,437</u>	<u>5,762,750</u>
Operating expenses:		
Electric	3,823,727	3,783,681
Water	684,117	502,288
Wastewater	914,088	624,571
Total operating expenses	<u>5,421,932</u>	<u>4,910,540</u>
Operating income	<u>190,505</u>	<u>852,210</u>
Nonoperating revenues (expenses):		
Investment income	2,026	12,948
Federal grant revenue	155,239	109,531
Nonemployer contribution revenue	18,508	15,898
Total nonoperating revenues (expenses)	<u>175,773</u>	<u>138,377</u>
Income before capital contributions and transfers	366,278	990,587
Capital Contributions	29,213	-
Transfers out	<u>(1,500,000)</u>	<u>(1,500,000)</u>
Change in net position	(1,104,509)	(509,413)
Net position, beginning	<u>9,465,261</u>	<u>9,974,674</u>
Net position, ending	<u>\$ 8,360,752</u>	<u>\$ 9,465,261</u>

CITY OF ST. MARTINVILLE, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Departmental Statement of Revenues and Expenses  
For the Years Ended June 30, 2021 and 2020

	Totals		Electric	
	2021	2020	2021	2020
<b>Operating revenues:</b>				
Customers service charges	\$ 5,470,674	\$ 5,597,450	\$ 4,344,307	\$ 4,426,042
Permits, reconnections and penalties	141,763	165,300	141,489	165,156
<b>Total operating revenues</b>	<b><u>5,612,437</u></b>	<b><u>5,762,750</u></b>	<b><u>4,485,796</u></b>	<b><u>4,591,198</u></b>
<b>Operating expenses:</b>				
Salaries	855,275	606,387	299,236	257,499
Retirement	104,169	91,109	39,215	33,989
Payroll taxes	75,943	43,545	24,162	18,342
Group insurance	104,857	81,796	31,123	14,886
Worker's comp	29,366	24,739	9,539	10,706
Power purchased	2,708,658	2,710,509	2,708,658	2,710,509
State mandated water fee	38,616	42,356	-	-
Maintenance and supplies	336,176	320,978	188,349	242,170
Chemicals	57,210	38,815	-	-
Fuel	42,448	34,862	17,366	14,402
Depreciation expense	352,362	349,382	29,426	32,676
Utilities	82,972	75,747	3,738	15,680
Telephone	76,778	53,269	2,058	80
Truck operation	31,003	12,424	16,210	5,511
Office supplies and postage	14,641	18,015	-	-
Bad debts	20,415	8,237	-	-
Insurance	128,445	122,914	47,198	44,710
Miscellaneous	6,308	2,933	1,642	392
Professional fees	236,788	183,086	300	7,841
Uniforms	1,584	713	371	563
Travel	669	-	-	-
Contractual services	117,249	88,724	85,209	86,199
Allocation of general and administrative expense	-	-	319,927	287,526
<b>Total operating expenses</b>	<b><u>5,421,932</u></b>	<b><u>4,910,540</u></b>	<b><u>3,823,727</u></b>	<b><u>3,783,681</u></b>
<b>Net operating income (loss)</b>	<b><u>\$ 190,505</u></b>	<b><u>\$ 852,210</u></b>	<b><u>\$ 662,069</u></b>	<b><u>\$ 807,517</u></b>

Water		Wastewater		Administrative	
2021	2020	2021	2020	2021	2020
\$ 584,957	\$ 608,216	\$ 541,410	\$ 563,192	\$ -	\$ -
274	144	-	-	-	-
<u>585,231</u>	<u>608,360</u>	<u>541,410</u>	<u>563,192</u>	<u>-</u>	<u>-</u>
150,299	89,573	269,214	136,120	136,526	123,195
14,372	13,229	27,122	21,107	23,460	22,784
17,277	6,327	24,964	9,971	9,540	8,905
25,556	25,501	23,456	14,703	24,722	26,706
9,803	5,088	9,144	8,465	880	480
-	-	-	-	-	-
38,616	42,356	-	-	-	-
56,579	42,311	90,047	33,028	1,201	3,469
24,161	12,736	33,049	26,079	-	-
11,310	9,311	13,772	11,149	-	-
87,978	93,066	234,958	223,640	-	-
65,817	56,781	13,417	3,286	-	-
43,962	13,523	6,614	13,804	24,144	25,862
6,202	858	8,591	6,055	-	-
-	-	-	-	14,641	18,015
-	-	-	-	20,415	8,237
35,411	31,160	4,312	1,032	41,524	46,012
153	1,415	3,424	715	1,089	411
39,391	17,647	92,380	78,051	104,717	79,547
871	150	325	-	17	-
411	-	258	-	-	-
12,870	1,745	19,170	780	-	-
<u>43,078</u>	<u>39,511</u>	<u>39,871</u>	<u>36,586</u>	<u>(402,876)</u>	<u>(363,623)</u>
<u>684,117</u>	<u>502,288</u>	<u>914,088</u>	<u>624,571</u>	<u>-</u>	<u>-</u>
<u>\$ (98,886)</u>	<u>\$ 106,072</u>	<u>\$(372,678)</u>	<u>\$ (61,379)</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ST MARTINVILLE, LOUISIANA

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

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Beginning Balance of Amounts Collected	\$ 9,585	\$ 20,763
Add: Collections -		
Criminal Fines - Other	<u>33,208</u>	<u>43,942</u>
Less: Disbursements to Governments and Nonprofits -		
Louisiana Commission on Law Enforcement/Criminal Fines - Other	-	988
Louisiana State Treasurer CMIS/Criminal Fines - Other	-	1,260
Acadiana Criminalistics Lab/Criminal Fines - Other	-	10,040
St Martin Crime Stoppers/Criminal Fines - Other	-	838
LA Association of Chiefs of Police/Criminal Fines - Other	-	710
16th Judicial District Public Defender/Criminal Fines - Other	-	14,685
St Martin Parish Coroner/Criminal Fines - Other	-	4,200
LA Dept of Health & Hospitals THI/SCI/Criminal Fines - Other	-	1,420
Louisiana Supreme Court/Criminal Fines - Other	-	209
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	22,030	27,743
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	<u>-</u>	<u>-</u>
Subtotal Disbursements/Retainage	<u>22,030</u>	<u>62,093</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 20,763</u>	<u>\$ 2,612</u>

CITY OF ST. MARTINVILLE, LOUISIANA

LCDBG Sewer System Improvement Project  
Schedule of Net Position  
June 30, 2021

Assets:		
Grants receivable		\$ 29,213
Liabilities:		
Contracts payable		<u>29,213</u>
Net Position		<u>\$ -</u>

CITY OF ST. MARTINVILLE, LOUISIANA

LCDBG Sewer System Improvement Project  
Schedule of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2021

Revenues - LCDBG program	<u>\$ 29,213</u>
Expenses- Construction	<u>29,213</u>
Change in net position	-
Net position, beginning of year	<u>-</u>
Net position, end of year	<u>\$ -</u>



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

# KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Melinda Mitchell, Mayor  
and Members of the City Council  
City of St. Martinville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Martinville, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of St. Martinville, Louisiana's basic financial statements and have issued our report thereon dated February 28, 2022.

### Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified items 2021-001 through 2021-011 that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of St. Martinville, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2021-012 through 2021-014.

## **City of St. Martinville, Louisiana's Response to Findings**

The City of St. Martinville, Louisiana's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The City of St. Martinville, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
February 28, 2022

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
For the Year Ended June 30, 2021

Part I Current Year Findings and Management's Corrective Action Plan:

**A. Internal Control Findings -**

**2021-001 Inadequate Segregation of Accounting Functions**

Fiscal year finding initially occurred: Unknown

Criteria

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

Condition

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

Cause

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

Effect

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

Recommendation

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

Management's Corrective Action Plan

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

**2021-002 Inadequate Controls Over Reconciling Accounts**

Fiscal year finding initially occurred: 2019

Criteria

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

Condition

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

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

Cause

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

Effect

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

Recommendation

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

Management's Corrective Action Plan

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

**2021-003 Inadequate Controls Over Utility Fees**

Fiscal year finding initially occurred: 2019

Criteria-

The City should have a control policy to properly monitor penalties, late fees, and reconnect fees billed to customers.

Condition

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

Cause

The City's utility billing software is not setup to automatically add the designated penalties and late fees in accordance with the City's policies. There are no procedures to verify customer accounts are being disconnected on the proper cutoff date.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

Effect

There are delinquent accounts including employees and related parties that are not consistently being charged the appropriate fees in accordance with the City's policy. The inconsistency of this policy could be considered a violation of Article VII section 14 of the Louisiana Constitution.

Recommendation

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

Management's Corrective Action Plan

Management contacted their utility billing software provider to automate these charges. Effective March 2020, the late fees are automatically being added to customer accounts that meet the appropriate delinquent time period.

**2021-004 Inadequate Controls Over Customer Utility Deposits**

Fiscal year finding initially occurred: 2019

Criteria

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

Condition

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

Cause

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

Effect

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

Recommendation

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

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

Management's Corrective Action Plan

The City will revise their policies and procedures to include the teller recording the customer utility deposits on the subsidiary ledger. Reports will be generated and incorporated in the balancing of the teller cash.

**2021-005 Inadequate Controls Over Inventory**

Fiscal year finding initially occurred: 2018

Criteria

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

Condition

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

Cause

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

Effect

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

Recommendation

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

Management's Corrective Action Plan

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

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

**2021-006 Inadequate Controls Over Capital Assets**

Fiscal year finding initially occurred: 2019

Criteria

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

Condition

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

Cause

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

Effect

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

Recommendation

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

Management's Corrective Action Plan

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

**2021-007 Inadequate Controls Over Bank Reconciliations**

Fiscal year finding initially occurred: 2019

Criteria

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



CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

Condition

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

Cause

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

Effect

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

Recommendation

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

Management's Corrective Action Plan

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

**2021-008 Inadequate Controls Over the Collection of Fines**

Fiscal year finding initially occurred: 2019

Criteria

The City should have a control policy to properly account for the collection of ticket fines and ensure cash collections are deposited timely.

Condition

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

Cause

The City's procedures did not allow for a daily reconciliations and deposits of cash collected for fines. The amounts recorded on the general ledger are not reconciled to the subsidiary documentation to determine the completeness of cash collections.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

Effect

The City's general ledger had miscoding requiring reclassifications and supporting documentation could not be located to substantiate some deposits.

Recommendation

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

Management's Corrective Action Plan

Management will revise their policies and procedures to incorporate daily reconciliation and deposits of cash collections for fine revenue.

**2021-009 Inadequate Controls Over Timesheets**

Fiscal year finding initially occurred: 2019

Criteria

The City should have a control policy to ensure adequate documentation is maintained to substantiate the hours worked by each employee and all timesheets are signed by employees and supervisors.

Condition

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

Cause

The City's procedures does not require the employee to sign their individual timesheet.

Effect

The City does not have the employee's certification for the hours being paid. In accordance with AG Opinions 15-186, 99-397, and 94.284, the City does not have the required documentation to substantiate the accrual of leave.

Recommendation

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

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

Management's Corrective Action Plan

Management will revise their policies and procedures to incorporate obtaining the employees' and supervisors' documented approval on all manual and electronic timesheets.

**2021-010 Ticket Fine Fees Payable**

Fiscal year finding initially occurred: 2020

Criteria

State statutes require various fees to be collected in fine revenues, then subsequently remitted to the appropriate organization. The organization and related revised statutes are as follows: Acadiana Criminalistics Laboratory (R.S. 40:2266.1), Louisiana Commission on Law Enforcement (R.S. 46:1816 (E)(1)), Indigent Defender Board (R.S. 15:168), St. Martin Crime Stoppers, Inc. (La. Code of Criminal Procedure Article 895.4), LA Association of Chiefs of Police, and Louisiana Supreme Court.

Condition

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

Cause

The City failed to remit funds timely to the appropriate organizations.

Effect

The City is in violation of the various state statutes, identified above, which require the collection of and remittance of fine fees to appropriate organizations.

Recommendation

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

Management's Corrective Action Plan

The City will identify and distribute the appropriate amounts owed to the respective organizations.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

**2021-011 Controls over Traffic Tickets**

Fiscal year finding initially occurred: 2021

Criteria

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

Condition

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

Cause

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

Effect

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

Recommendation

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

Management's Corrective Action Plan

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

**B. Compliance Findings -**

**2021-012 Compliance with Bond Covenants**

Fiscal year finding initially occurred: 2020

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

Criteria

The City has outstanding debt obligation that are governed by debt covenants.

Condition

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

Cause

The City did not maintain the required amount of cash in their reserve fund in accordance with the debt covenants for the Sales Tax Bonds, Series 2015.

Effect

The City did not comply with the provision of the debt covenant.

Recommendation

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

Management's Corrective Action Plan

The City has obtained the official documents for all outstanding debt obligations and will monitor the reserve requirements on a monthly basis to ensure the required balances are maintained.

**2021-013 Inadequate Controls Over Utility Fees**

See Internal Control Finding 2021-003.

**2021-014 Compliance with Recreation Bond Fund**

Fiscal year finding initially occurred: 2021

Criteria

The City should ensure bond proceeds are utilized for the intended purpose of the bond issue.

Condition

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

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

Cause

The City improperly used restricted recreation capital funds for general operating expenditures.

Effect

The City did not comply with the intended purpose of the recreation bond issue by transferring \$250,000 to the General Fund for general operating expenditures. The restricted funds were replenished by June 30, 2021.

Recommendation

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

Management's Corrective Action Plan

Management will review their restricted cash balances and ensure that restricted funds are only utilized for their intended purpose.

**C. Management Letter –**

A management letter was issued related to operating losses experienced in the City's Water and Wastewater Departments for the fiscal year ended June 30, 2021.

Part II Prior Year Audit Finding

**A. Internal Control Findings -**

**2020-001 Inadequate Segregation of Accounting Functions**

Fiscal year finding initially occurred: Unknown

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2021-001.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

**2020-002 Inadequate Controls Over Reconciling Accounts**

Fiscal year finding initially occurred: 2019

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2021-002.

**2020-003 Inadequate Controls Over Utility Fees**

Fiscal year finding initially occurred: 2019

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2021-003.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

**2020-004 Inadequate Controls Over Customer Utility Deposits**

Fiscal year finding initially occurred: 2019

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2021-004.

**2020-005 Inadequate Controls Over Inventory**

Fiscal year finding initially occurred: 2018

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2021-005.

**2020-006 Inadequate Controls Over Capital Assets**

Fiscal year finding initially occurred: 2019

Condition

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



CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

Recommendation

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

Current Status

Unresolved. See Finding 2021-006.

**2020-007 Inadequate Controls Over Bank Reconciliations**

Fiscal year finding initially occurred: 2019

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2021-007.

**2020-008 Inadequate Controls Over the Collection of Fines**

Fiscal year finding initially occurred: 2019

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2021-008.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

**2020-009 Inadequate Controls Over Timesheets**

Fiscal year finding initially occurred: 2019

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2021-009.

**2020-010 Ticket Fine Fees Payable**

Fiscal year finding initially occurred: 2020

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2021-010.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

**B. Compliance Findings -**

**2020-011 Compliance with Bond Covenants**

Fiscal year finding initially occurred: 2020

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2021-012.

**2020-012 Inadequate Controls Over Utility Fees**

See Internal Control Finding 2020-003.

FINDINGS -FEDERAL AWARD PROGRAMS AUDIT

**A. Compliance Findings -**

**United States Department of the Treasury**

**2020-013 Written Policies for Federal Programs**

Fiscal year finding initially occurred: 2020  
**Coronavirus Relief Fund (21.019):**

Condition

The City was unable to provide documentation of written procedures for determining the allowability of cost.

Recommendation

Management should review the administrative requirements for federal programs to ensure compliance with all federal award requirements.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

Current Status

Resolved.

**2020-014 Maintaining Applicant Documentation**

Fiscal year finding initially occurred: 2020

**Section 8 Housing Choice Vouchers (14.871):**

Condition

The City was unable to provide the housing voucher application for one of the five new participants examined.

Recommendation

Management should review their procedures to ensure the required documentation is maintained for each participant.

Current Status

Resolved.

**2020-015 Payments Under Housing Assistance Program (HAP) Contract**

Fiscal year finding initially occurred: 2020

**Section 8 Housing Choice Vouchers (14.871):**

Condition

The City remitted HAP payments to a participant that were not within the terms of the HAP contract.

Recommendation

Management should review their policies and procedures to include a secondary review of all data entered into the HUD program for new participants.

Current Status

Resolved.

CITY OF ST. MARTINVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

**B. Internal Control Findings –**

**2020-016 Inadequate Controls Over Timesheets**

Fiscal year finding initially occurred: 2019

**Coronavirus Relief Fund (21.019):**

Condition

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

Recommendation

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

Current Status

Unresolved. See Finding 2021-009.

**2020-017 Payments Under Housing Assistance Program (HAP) Contract**

Fiscal year finding initially occurred: 2020

**Section 8 Housing Choice Vouchers (14.871):**

Condition

The City remitted HAP payments to a participant that were not within the terms of the HAP contract.

Recommendation

Management should review their policies and procedures to include a secondary review of all data entered into the HUD program for new participants.

Current Status

Resolved.

# KOLDER, SLAVEN & COMPANY, LLC

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## MANAGEMENT LETTER

The Honorable Melinda Mitchell, Mayor  
and Members of the City Council  
City of St. Martinville, Louisiana

We have completed our audit of the basic financial statements of the City of St. Martinville, Louisiana for the year ended June 30, 2021, we submit the following recommendation for your consideration:

- (1) The City of St. Martinville's Utility Fund experienced an operating loss in their Water and Wastewater Department in the amount of \$98,886 and \$372,678, respectively, for the fiscal year ended June 30, 2021. The City of St. Martinville should consider increasing water and wastewater rates and/or decreasing expenses within these departments to operate on a profitable basis.

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
February 28, 2022