

TOWN OF SPRINGFIELD, LOUISIANA

Financial Report

Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

The Honorable Thomas Abels, Mayor,
and Members of the Board of Aldermen
Town of Springfield, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Springfield, Louisiana (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a

going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 9 and 43 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 information is fairly stated in all material respects to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Town'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 Town's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Baton Rouge, Louisiana
November 28, 2023

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Town of Springfield, Louisiana
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2023

Introduction

The Town of Springfield, Louisiana (the Town) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), and related standards.

The Town's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any significant variations from the Town's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Town's financial statements on pages 12 through 43 of this report.

Financial Highlights

- The Town's assets exceeded its liabilities by \$3,703,339 (net position) as of June 30, 2023.
- Total revenues of \$1,508,351 were more than total expenses of \$1,007,264, which resulted in a current year increase in net position of \$501,087, which includes depreciation expense of \$177,801.
- Total combined net position is comprised of the following:
 - Net Investment in Capital Assets, of \$3,169,792 which includes property and equipment, net of accumulated depreciation
 - Net position restricted for debt service of \$97,478
 - Unrestricted net position of \$436,069
- The Town's total general fund reported an unassigned fund balance at June 30, 2023 of \$368,169.
- The Town's total bonded debt decreased by \$32,269 during the year.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Basic Financial Statements

This Management's Discussion and Analysis document introduces the Town's basic financial statements. The Town's basic financial statements are comprised of four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements*, presented on pages 12 and 13, are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

Town of Springfield, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2023

The *Statement of Net Position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information showing how the Town's *net position* changed during the most recent fiscal year. All changes in *net position* are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Town's *Government-wide Financial Statements* distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, streets and drainage, public improvements, health and social services, and culture and recreation. The Town's business-type activities are water and sewer collection.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has two funds which are categorized as governmental and proprietary funds.

Governmental funds, presented on pages 16 through 19, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

The Town adopts an annual appropriated budget. A budgetary comparison schedule has been provided for the Town's operations to demonstrate compliance with this budget.

The proprietary fund accounts for water and sewer services for the Town. Proprietary funds are used to account for the same functions as business-type activities presented in the government-wide financial statements, but the fund presentation provides more detail. The proprietary fund financial statements can be found on pages 20 thru 23 of this report.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term financing decisions. Whereas the Total column on the Proprietary

Town of Springfield, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2023**

Fund Financial Statements is the same as the Business-Type column in the Government-wide financial statements. the Governmental-Type column of the Government-wide Financial Statements

Notes to the Financial Statements

The notes, presented on pages 24 thru 41, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information converting the Town's budgetary control, on pages 43 to 44. The financial statements also include supplementary information required by the USDA on pages 54 through 56.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. The following schedule provides a summary of the Town's net position:

Summary of Net Position (Government Wide)

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 780,617	\$ 595,378	\$ 185,239	31.11%
Capital Assets	4,284,228	3,831,371	452,857	11.82%
Total Assets	<u>5,064,845</u>	<u>4,426,749</u>	<u>638,096</u>	14.41%
Liabilities:				
Current and Other Liabilities	280,618	110,060	170,558	154.97%
Long-Term Liabilities	1,080,888	1,114,437	(33,549)	-3.01%
Total Liabilities	<u>1,361,506</u>	<u>1,224,497</u>	<u>137,009</u>	11.19%
Net Position:				
Net Investment in Capital Assets	3,169,792	2,684,669	485,123	18.07%
Restricted	97,478	90,675	6,803	7.50%
Unrestricted	436,069	426,908	9,161	2.15%
Total Net Position	<u>\$ 3,703,339</u>	<u>\$ 3,202,252</u>	<u>\$ 501,087</u>	15.65%

At the end of the most recent year, the assets of the Town exceeded its liabilities by \$3,703,339, which represents an increase of \$501,087 from the previous year.

Town of Springfield, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2023**

The following schedule provides a summary of the Town's changes in net position:

Summary of Changes in Net Position (Government Wide)

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 136,168	\$ 126,026	\$ 10,142	8.05%
Operating Grants and Contributions	59,961	44,870	15,091	33.63%
Capital Grants and Contributions	584,487	133,349	451,138	338.31%
General Revenues	<u>727,735</u>	<u>710,395</u>	<u>17,340</u>	<u>2.44%</u>
Total Revenues	<u>1,508,351</u>	<u>1,014,640</u>	<u>493,711</u>	<u>48.66%</u>
Expenses:				
Governmental Activities:				
General Government	244,008	238,288	5,720	2.40%
Public Safety	266,517	247,138	19,379	7.84%
Public Works	164,609	143,388	21,221	14.80%
Business-Type Activities	<u>332,130</u>	<u>344,530</u>	<u>(12,400)</u>	<u>-3.60%</u>
Total Expenses	<u>1,007,264</u>	<u>973,344</u>	<u>33,920</u>	<u>3.48%</u>
Change in Net Position	501,087	41,296	459,791	1113.40%
Net Position, Beginning	<u>3,202,252</u>	<u>3,160,956</u>	<u>41,296</u>	<u>1.31%</u>
Net Position, Ending	<u>\$ 3,703,339</u>	<u>\$ 3,202,252</u>	<u>\$ 501,087</u>	<u>15.65%</u>

General revenues increased by \$17,340 due in part to an increase in sales tax by \$3,209, increase in insurance premium taxes of \$4,721 and increase in interest of \$4,190. Governmental Activities expenses increased by \$46,320 mostly due to increase in salaries of \$26,735 and increase of sanitation of collection fees of \$8,888.

Fund Financial Analysis

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Town's governmental fund is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. Governmental funds reported an ending unassigned fund balance of \$368,169.

The Town primarily relies on sales taxes to support its governmental activities which represent 72.73% of the Town's total revenues, excluding grants.

The Town's programs include general government, police protection, streets, and sanitation. General government and police protection represents 75.62% of the Town's governmental activity expenses.

Town of Springfield, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2023

General Fund Budgetary Highlights

Significant variations between original and final budget amounts are as follows.

- The Town amended its budget to include state grants of \$350,000 to fund the remodeling of the Town Hall.
- The Town originally budgeted \$5,000 for general government capital outlay. The Town amended its budget to \$380,000 for the remodeling of the Town Hall.

Significant variations from the general fund's final budget amounts and actual amounts are as follows:

- The Town budgeted \$380,000 in general government capital outlay and the actual amount was \$395,000 resulting in a negative variance of \$15,000. The difference is due to additional engineering fees.

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation as of June 30, 2023 was \$613,607 for governmental activities and \$3,670,621 for business-type activities. There was an overall increase of \$367,998 in capital assets used for governmental activities and an increase of \$84,859 in capital assets used for business-type activities. The Town's governmental activities paid \$395,000 for remodeling of the Town Hall which \$350,000 was funded by Act 170 of the 2022 Legislative Session. Town's business-type activities paid \$183,335 for the construction of a sewer collection system project which is being funded with a grant through the Office of Community Development and Facility Planning & Control. As of June 30, 2023 the project has cost \$287,507. Anticipated completion is unknown at this time.

Long-Term Debt

The Town has a very simple debt structure. There is no debt for governmental activities. The only debt for business-type activities is the revenue bonds that were issued to the United States Department of Agriculture-Rural Utility Services to construct the sewer system. See note 8 to the financial statements for additional information regarding long-term debt.

Other Factors Affecting the Town

The Town of Springfield's management approach is conservative. When possible, the Mayor and alderman attempt to provide services for the Town based on existing revenues and to finance long-term projects only when absolutely necessary. The Town actively pursues grant funds to minimize the cost of major projects to its citizens. The Town also attempts to keep utility rates at the minimum required to cover the costs of utility system operation.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional finance information contact Marie Kreutzer, Town Clerk at (225) 294-3150.

BASIC FINANCIAL STATEMENTS

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

TOWN OF SPRINGFIELD, LOUISIANA

Statement of Net Position
For the year ended June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 358,819	\$ 77,536	\$ 436,355
Receivables, net	15,983	20,006	35,989
Internal balances	40,068	(40,068)	-
Due from other governmental agencies	43,536	165,643	209,179
Prepaid items	1,616	-	1,616
Total current assets	<u>460,022</u>	<u>223,117</u>	<u>683,139</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	97,478	97,478
Capital assets:			
Land and construction in progress	405,000	338,807	743,807
Other capital assets, net	208,607	3,331,814	3,540,421
Total noncurrent assets	<u>613,607</u>	<u>3,768,099</u>	<u>4,381,706</u>
Total assets	<u>1,073,629</u>	<u>3,991,216</u>	<u>5,064,845</u>
LIABILITIES			
Current liabilities:			
Accounts payable	10,267	4,715	14,982
Accrued payroll	3,716	506	4,222
Accrued expenses	6,784	-	6,784
Deferred grant revenue	69,470	-	69,470
Bonds payable	-	33,548	33,548
Construction payable	-	142,196	142,196
Retainage payable	-	7,058	7,058
Accrued interest	-	2,358	2,358
Total current liabilities	<u>90,237</u>	<u>190,381</u>	<u>280,618</u>
Noncurrent liabilities:			
Bonds payable	-	1,080,888	1,080,888
Total liabilities	<u>90,237</u>	<u>1,271,269</u>	<u>1,361,506</u>
NET POSITION			
Net investment in capital assets	613,607	2,556,185	3,169,792
Restricted for debt service	-	97,478	97,478
Unrestricted	369,785	66,284	436,069
Total net position	<u>\$ 983,392</u>	<u>\$ 2,719,947</u>	<u>\$ 3,703,339</u>

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

TOWN OF SPRINGFIELD, LOUISIANA

Statement of Activities
For the year ended June 30, 2023

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 244,008	\$ -	\$ 27,960	\$383,933	\$ 167,885	\$ -	\$ 167,885
Public safety:							
Police	266,517	35,079	19,200	-	(212,238)	-	(212,238)
Public works:							
Streets	75,124	-	-	-	(75,124)	-	(75,124)
Sanitation	83,061	-	-	-	(83,061)	-	(83,061)
Cemetery	6,424	-	9,257	-	2,833	-	2,833
Total governmental activities	<u>675,134</u>	<u>35,079</u>	<u>56,417</u>	<u>383,933</u>	<u>(199,705)</u>	<u>-</u>	<u>(199,705)</u>
Business-type activities							
Sewer	264,201	83,467	3,544	200,554	-	23,364	23,364
Water	67,929	17,622	-	-	-	(50,307)	(50,307)
Total business-type activities	<u>332,130</u>	<u>101,089</u>	<u>3,544</u>	<u>200,554</u>	<u>-</u>	<u>(26,943)</u>	<u>(26,943)</u>
Total	<u>\$1,007,264</u>	<u>\$ 136,168</u>	<u>\$ 59,961</u>	<u>\$ 584,487</u>		<u>(26,943)</u>	<u>(226,648)</u>
General revenues							
Taxes -							
Sales and use taxes, levied for general purposes					446,424	148,848	595,272
Franchise fees					36,969	-	36,969
Insurance premium					56,087	-	56,087
Occupational licenses					20,630	-	20,630
Grants and contributions not restricted to specific programs					10,192	-	10,192
Interest and investment earnings					3,668	123	3,791
Miscellaneous					4,794	-	4,794
Total general revenues and transfers					<u>578,764</u>	<u>148,971</u>	<u>727,735</u>
Change in net position					379,059	122,028	501,087
Net position - July 1, 2022					<u>604,333</u>	<u>2,597,919</u>	<u>3,202,252</u>
Net position - June 30, 2023					<u>\$ 983,392</u>	<u>\$ 2,719,947</u>	<u>\$ 3,703,339</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

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.

Enterprise Fund

Sewer Fund -

To account for the provision of sewerage and water services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF SPRINGFIELD, LOUISIANA

Balance Sheet
 Governmental Fund
 June 30, 2023

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 358,819
Receivables:	
Franchise fees	8,433
Insurance Premium Tax	7,550
Due from other governmental agencies	43,536
Due from proprietary fund	40,068
Prepaid items	<u>1,616</u>
Total assets	<u>\$ 460,022</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 10,267
Accrued payroll	3,716
Accrued expenses	6,784
Deferred Revenue	<u>69,470</u>
Total liabilities	<u>90,237</u>
Fund balance:	
Nonspendable- prepaid items	1,616
Unassigned	<u>368,169</u>
Total fund balance	<u>369,785</u>
Total liabilities and fund balance	<u>\$ 460,022</u>

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

TOWN OF SPRINGFIELD, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Total fund balances for governmental funds at June 30, 2023		\$ 369,785
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	\$ 10,000	
Construction in Progress	395,000	
Buildings, net of \$66,807 accumulated depreciation	38,829	
Infrastructure, net of \$20,509 accumulated depreciation	46,490	
Vehicles, net of \$114,032 accumulated depreciation	83,602	
Furniture and Equipment, net of \$151,042 accumulated depreciation	<u>39,686</u>	<u>613,607</u>
Total net position of governmental activities at June 30, 2023		<u>\$ 983,392</u>

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

TOWN OF SPRINGFIELD, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund

For the year ended June 30, 2023

	<u>General Fund</u>
Revenues	
Taxes	\$ 539,480
Licenses and permits	20,630
Intergovernmental	437,685
Fines and forfeits	33,903
Interest earned	3,668
Miscellaneous	18,827
Total revenues	<u>1,054,193</u>
Expenditures	
Current -	
General government	239,182
Public safety:	
Police	236,254
Fire	5,000
Public works:	
Street	72,659
Sanitation	83,061
Cemetery	6,424
Capital outlay -	
General government	395,000
Public safety	5,552
Total expenditures	<u>1,043,132</u>
Net changes in fund balance	<u>11,061</u>
Fund balance, beginning	<u>358,724</u>
Fund balance, ending	<u>\$ 369,785</u>

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

TOWN OF SPRINGFIELD, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balance of Governmental Fund
 to the Statement of Activities
 For the year ended June 30, 2023

Total net changes in fund balance at June 30, 2023 per statement of revenues, expenditures and changes in fund balance		\$ 11,061
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 balance	\$ 400,552	
Depreciation expense for the year ended June 30, 2023	<u>(32,554)</u>	<u>367,998</u>
Total changes in net position at June 30, 2023 per statement of activities		<u>\$ 379,059</u>

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

TOWN OF SPRINGFIELD, LOUISIANA

Statement of Net Position
 Proprietary (Enterprise) Fund
 June 30, 2023

ASSETS

Current assets		
Cash		\$ 77,536
Accounts receivable, net		20,006
Due from other governmental agencies		<u>165,643</u>
Total current assets		263,185
Noncurrent assets:		
Restricted assets:		
Cash		97,478
Capital assets:		
Land and construction in progress		338,807
Other capital assets, net		<u>3,331,814</u>
Total noncurrent assets		<u>3,768,099</u>
Total assets		<u>4,031,284</u>

LIABILITIES

Current liabilities:		
Accounts payable		4,715
Accrued payroll liabilities		506
Due to General Fund		40,068
Pavable from restricted assets:		
Revenue bonds		33,548
Accrued interest		2,358
Construction payable		142,196
Retainage payable		<u>7,058</u>
Total current liabilities		<u>230,449</u>
Noncurrent liabilities		
Revenue bonds		<u>1,080,888</u>
Total liabilities		<u>1,311,337</u>

NET POSITION

Net investment in capital assets		2,556,185
Restricted for debt service		97,478
Unrestricted		<u>66,284</u>
Total net position		<u>\$2,719,947</u>

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

TOWN OF SPRINGFIELD, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary (Enterprise) Fund
 For the year ended June 30, 2023

Operating revenues:	
Sewer charges	\$ 80,940
Water charges	15,222
Penalties	2,527
Miscellaneous Income	<u>2,400</u>
Total operating revenues	<u>101,089</u>
Operating expenses	
Chemicals	1,200
Depreciation	145,247
Electricity	26,950
Grant Specialist	413
Internet	3,208
Insurance	20,569
Licenses and permits	1,385
Office supplies	13
Payroll taxes	1,600
Postage	544
Repairs and maintenance	60,456
Salaries	20,392
Supplies	996
Training	375
Utilities	<u>272</u>
Total operating expenses	<u>283,620</u>
Operating loss	<u>(182,531)</u>
Nonoperating revenues (expenses):	
Sales taxes	148,848
Intergovernmental - Fema	3,544
Interest income	123
Interest expense	<u>(48,510)</u>
Total nonoperating revenues (expenses)	<u>104,005</u>
Loss before capital contributions and transfers	<u>(78,526)</u>
Capital contributions and transfers:	
Capital grants	200,554
Transfers out	<u>-</u>
Total capital contributions and transfers	<u>200,554</u>
Change in net position	122,028
Net position, beginning	<u>2,597,919</u>
Net position, ending	<u>\$2,719,947</u>

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

TOWN OF SPRINGFIELD, LOUISIANA

Statement of Cash Flows
Proprietary (Enterprise) Fund
For the year ended June 30, 2023

Cash flows from operating activities:	
Receipts from customers	\$ 86,506
Payments to suppliers	(140,455)
Payments to employees	(21,764)
Payments to other funds	<u>30,744</u>
Net cash used by operating activities	<u>(44,969)</u>
Cash flows from noncapital financing activities:	
Sales tax receipts	149,064
Operating grants	<u>25,010</u>
Net cash provided by noncapital financing activities	<u>174,074</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds	(32,269)
Interest paid on revenue bonds	(48,579)
Capital grants	32,069
Payments for capital acquisitions	<u>(80,851)</u>
Net cash used by capital and related financing activities	<u>(129,630)</u>
Cash flows from investing activities:	
Interest earned	123
Net decrease in cash and cash equivalents	(402)
Cash and cash equivalents, beginning of period	<u>175,416</u>
Cash and cash equivalents, end of period	<u>\$ 175,014</u>

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

(continued)

TOWN OF SPRINGFIELD, LOUISIANA

Statement of Cash Flows
 Proprietary (Enterprise) Fund - (Continued)
 For the year ended June 30, 2023

Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (182,531)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	145,247
Changes in current assets and liabilities:	
Accounts receivable	(14,587)
Accounts payable	(24,071)
Accrued payroll liabilities	229
Due to other funds	<u>30,744</u>
Net cash used by operating activities	<u>\$ (44,969)</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	\$ 65,510
Cash - restricted	<u>109,906</u>
Total cash and cash equivalents	<u>175,416</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	77,536
Cash - restricted	<u>97,478</u>
Total cash and cash equivalents	<u>175,014</u>
Net decrease	<u>\$ (402)</u>

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

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Springfield (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Town of Springfield, Louisiana was incorporated in 1838, under a special charter. The Town operates under a Mayor-Board of Aldermen form of government and, as authorized by its charter, provides police protection; streets and drainage maintenance; public improvements; health and social services; culture-recreation; planning and zoning; sewer collection and disposal, and general administration. The Mayor and five members of the Board of Aldermen are elected at large to serve four-year terms from July 1, 2021 to June 30, 2025. The Town of Springfield is located in Livingston Parish with a geographic area of approximately 1.4 square miles. The estimated population is 499. The Town employs 5 full-time employees. The Town serves 126 sewer customers.

Governmental Accounting Standards Board (GASB) Statement No. 61 established criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provision of this statement, the Town of Springfield is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 61, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Since the Town of Albany has no component units, these financial statements include only information on the primary government.

There are no component units over which the Town exercises significant influence.

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. 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.

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. 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 Town 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 Town are classified into two categories: governmental and proprietary. 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 Town or meets the following criteria.

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

All funds of the Town are considered to be major funds and are described below:

Governmental Funds -

General Fund

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

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proprietary Fund -

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered 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 Town of Springfield's enterprise fund is comprised of the Sewer and Water Fund.

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.

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.

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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, liabilities, and 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 recognized as soon as they are both measurable and available. 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 government considers revenues to be available if they are collected 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 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.

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 Town. 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.

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 assets.

TOWN OF SPRINGFIELD, 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. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's sewer service receivables as their major receivables. Uncollectible sewer service receivables are recognized as bad debts through the establishment of an allowance account. The allowance has been established based upon past collection experience, the economic environment, and management's evaluation of the current risk in receivables. The allowance for uncollectibles for customers' utility receivables was \$5,609 at June 30, 2023.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts.

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 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 Town 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. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

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	20-40 years
Furniture and office equipment	5-20 years
Vehicles	5-7 years
Infrastructure	20-50 years
Water system	10-40 years

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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. There were no deferred outflows of resources and deferred inflows of resources as of June 30, 2023.

Unearned Revenues

The Town reports unearned revenue on its government-wide and fund financial statements. Unearned revenues arise when potential revenue does not meet both "measurable" and "available" criteria for recognition in the current period (fund financial statements). Unearned revenues also arise when resources are unearned by the Town and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized.

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 and business-type resources is reported as a liability in the government-wide statements. The long-term debt consists of sewer revenue bonds.

Long-term debt for governmental funds is not reported as a liability 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.

Total interest incurred and expensed for the year ended June 30, 2023 for the proprietary fund was \$48,510

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

Employees of the Town earn from 5 to 23 days of vacation leave each year, depending on length of service. Vacation leave must be taken in the year earned and cannot be carried over. There is no formal policy on sick leave. Sick leave is approved by the Town based on need.

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 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 deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Town's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the two previous components and is available for general use by the Town.

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 Board of Aldermen, which is the highest level of decision-making authority for the Town. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This formal action is the adoption of a resolution by the Board.

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

- d. Assigned – amounts that are intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. Intended use is expressed by the Board who has the authority to assign amounts to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purpose for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in their 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 Fund - 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.

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

F. 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) Dedication and Restriction of Proceeds and Flow of Funds - Sales and Use Taxes

The Town levies three sales taxes as follows:

- A. Proceeds from a 1% sales tax effective April 1, 1978, are placed in the General Fund for use by the Town.
- B. Proceeds from a 0.50% sales tax effective January 1, 1987, are to be used for garbage pickup for the residents of the Town and the remainder is to be placed in the General Fund for use by the Town.
- C. Proceeds from a 0.50% sales tax effective February 24, 2005, are to be used to retire USDA debt used for the construction of sewer treatment facilities and other improvements. On December 11, 2021, proceeds from the sales tax can also be used by the Town for the payment of any lawful purposes and for capital improvements to the waterworks system.

(3) Cash and Interest-Bearing Deposits

Under state law, the Town 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 Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2023, the Town had cash and interest-bearing deposits (book balances) totaling \$533,833 as follows:

Demand Deposits	<u>\$ 533,833</u>
Total	<u>\$ 533,833</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered. 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 fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2023 were secured as follows:

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Bank balances	<u>\$ 398,779</u>
Federal deposit insurance	\$ 297,055
Pledged securities	<u>101,724</u>
Total federal deposit insurance and pledged securities	<u>\$ 398,779</u>

Deposits in the amount of \$101,724 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 Town'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 Town that the fiscal agent has failed to pay deposited funds upon demand. The Town does not have a policy for custodial credit risk.

The Town has \$187,226 in deposited into the LAMP account. The Town records its LAMP deposits within cash and cash equivalents.

(4) Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Town or its agent in the Town's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Town's name

In accordance with GASB Codification Section 150.165, the investment in LAMP at June 30, 2023, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investment in LAMP is stated at the value of the pool shares, which is the same as the fair value, and has been categorized as cash equivalents. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprised of the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

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

While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R S. 33:2955

GASB 40, Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for 2a7 like investment pools:

1. Credit risk: LAMP is rated AAA by Standard and Poor's
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments, as provided by LAMP, is 56 days as of June 30, 2023.
5. Foreign currency risk. Not applicable to 2a7-like pools.

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with SEC as an investment company. LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by calling (800) 249-5267

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

TOWN OF SPRINGFIELD, LOUISIANA
Notes to Basic Financial Statements (Continued)

(5) Due From Other Governmental Agencies

Due from other governmental agencies at June 30, 2023 consist of the following:

Governmental Activities -

General Fund:

Sales tax revenues	\$ 37,932
State of Louisiana, Beer Tax	3,939
Other	<u>1,665</u>
Total General Fund	<u>43,536</u>

Business Type Activities -

Proprietary Fund:

Sales tax revenues	12,350
State Grants	149,254
FEMA	<u>4,039</u>
Total proprietary fund	<u>165,643</u>
Total due from other governmental agencies	<u>\$ 209,179</u>

(6) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at June 30, 2023:

Sewer revenue bond reserve	\$ 66,112
Depreciation and contingency fund	<u>31,366</u>
Total restricted assets	<u>\$ 97,478</u>

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(7) Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance 7-1-2022	Additions	Deletions	Balance 06-30-23
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Construction in progress	-	395,000	-	395,000
Other capital assets:				
Buildings	105,635	-	-	105,635
Vehicles	197,634	-	-	197,634
Furniture and equipment	185,178	5,552	-	190,730
Infrastructure	66,998	-	-	66,998
Totals	<u>565,445</u>	<u>400,552</u>	<u>-</u>	<u>965,997</u>
Less accumulated depreciation:				
Buildings	63,679	3,128	-	66,807
Vehicles	91,173	22,859	-	114,032
Furniture and equipment	146,097	4,945	-	151,042
Infrastructure	18,887	1,622	-	20,509
Total accumulated depreciation	<u>319,836</u>	<u>32,554</u>	<u>-</u>	<u>352,390</u>
Governmental activities, capital assets, net	<u>\$ 245,609</u>	<u>\$ 367,998</u>	<u>\$ -</u>	<u>\$ 613,607</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 51,300	\$ -	\$ -	\$ 51,300
Construction in progress	104,172	183,335	-	287,507
Other capital assets:				
Sewer system	2,978,041	46,771	-	3,024,812
Equipment	44,116	-	-	44,116
Water utility system	2,068,956	-	-	2,068,956
Totals	<u>5,246,585</u>	<u>230,106</u>	<u>-</u>	<u>5,476,691</u>
Less accumulated depreciation:				
Sewer system	1,330,445	85,343	-	1,415,788
Equipment	44,118	-	-	44,118
Water utility system	286,260	59,904	-	346,164
Total accumulated depreciation	<u>1,660,823</u>	<u>145,247</u>	<u>-</u>	<u>1,806,070</u>
Business-type activities, capital assets, net	<u>\$ 3,585,762</u>	<u>\$ 84,859</u>	<u>\$ -</u>	<u>\$ 3,670,621</u>

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows.

General government	\$ 4,826
Public safety:	
Police	25,263
Public works:	
Streets	<u>2,465</u>
Total depreciation expense	<u>\$ 32,554</u>

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

Sewer	\$ 85,343
Water	<u>59,904</u>
Total depreciation expense	<u>\$ 145,247</u>

Construction in progress of \$395,000 included in the governmental-type activities is for remodeling the town hall. Estimated total cost is approximately \$800,000. The project is funded by the Act 397 of the 2023 Legislative Session for \$300,000 and Act 170 of the 2022 Legislative Session for \$350,000.

Construction in progress of \$287,507 included in business-type activities is for engineering fees for the construction of a new sewer collection system. This will be funded with a grant through the Office of Community Development/Disaster Recovery Unit & Facilities Planning & Control for the amount of \$662,000. Estimated completion is unknown at this time.

(8) Changes in Long-Term Debt

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

	<u>Business-type Activities</u>
	<u>Revenue Bonds</u>
Long-term debt payable, June 30, 2022	\$ 1,146,703
Long-term debt issued	-
Long-term debt retired	<u>(32,267)</u>
Long-term debt payable, June 30, 2023	<u>\$ 1,114,436</u>

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term debt payable at June 30, 2023 is comprised of the following issue:

	<u>Current Portion</u>
Revenue bonds:	
\$1,529,000 Sewer Revenue Bonds to the USDA dated May 12, 2004, due in monthly installments of \$6,737 until May 12, 2044; interest rate at 4.375 percent on \$500,000 of the bonds and at a rate of 4.25% on \$1,029,000 of the bonds, secured by sewer system revenues.	\$ 1,114,436 \$ 33,548

The long-term debt is due as follows:

Year Ending June 30,	Business-type Activities	
	Principal payments	Interest payments
2024	\$ 33,548	\$ 47,297
2025	35,146	45,698
2026	36,684	44,160
2027	38,289	42,555
2028	39,853	40,992
2029-2033	227,518	176,703
2034-2038	281,880	122,341
2039-2043	349,235	54,986
2044	72,283	1,561
Total	\$ 1,114,436	\$ 576,293

(9) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the bond indenture on outstanding Sewer Revenue Refunding Bonds dated May 12, 2004, all income and revenues of every nature, earned or derived from operation of the waterworks and sewer systems, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month the Town will reserve into a bond and interest sinking fund a sum equal to one-twelfth of the interest and principal due on the next bond payment due date, and a proportionate sum as may be required as the bonds respectfully become due. Money in the sinking fund shall be deposited as trust funds and shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments. Alternately, USDA has set up a payment schedule whereby the Town can make such payments directly to its office, thus eliminating the need for the bond and interest sinking fund.

There shall also be set aside into a sewer revenue bond reserve fund a sum equal to 5% of the monthly bond payment after the completion and acceptance of the system until there is accumulated therein an amount equal to the highest annual debt service payment in any future year. This fund

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the bond and interest sinking fund as to which there would otherwise be default.

The Town must also make monthly deposits to a depreciation and contingency fund equal to 5% of the monthly bond payment after the completion and acceptance of the system. Money in this fund will be used for making extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition, enhance its revenue producing capacity, or provide for a higher degree of service for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payments in the other bond funds.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose. The Town of Springfield was in compliance with all significant limitations and restrictions in the bond indenture at June 30, 2023.

(10) On-Behalf Payments of Salaries

During the year ended June 30, 2023, the State of Louisiana paid the Town's policemen \$15,600 of supplemental pay, which is included in the accompanying financial statements as intergovernmental revenues and public safety – police expenses expenditures in the government-wide and General Fund financial statements.

(11) Risk Management

The Town is exposed to risks of loss in the areas of torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(12) Solid Waste Collection and Disposal Agreement

An agreement between Waste Management of Louisiana, LLC and the Town of Springfield provides for the collection and disposal of solid wastes for residential and small commercial inhabitants of the Town. The agreement is for a five-year period beginning September 1, 2022.

(13) Centralized Collection Agency Agreement

In accordance with Paragraph (B)(1) of Section 3 of Article VII of the Constitution of the State of Louisiana, the Town participated in an agreement with all of the sales and use taxing authorities of the Parish of Livingston designating the Sales Tax Department of the Livingston Parish School Board as the single tax collection agency. The agreement authorizes the Town to compensate the collection agency 1.25% of the gross amounts collected.

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) Franchise Agreements

The Town has granted the following three franchises:

- A. Cable Television- A non-exclusive cable television franchise was granted to Charter Communications, LLC. The franchise was renewed on January 20, 2018 for a period of 15 years. The annual fee for this franchise shall be 5% of the annual gross subscriber revenues.
- B. Electric- On July 19, 2019, the Town granted a franchise to Entergy Louisiana LLC to supply electric energy to the Town and the inhabitants thereof for a period of 25 years. In consideration, the Town shall receive a fee of 2% of the gross receipts from sales of electricity within the corporate limits of the Town from July 19, 2019 to July 18, 2044.
- C. Natural Gas- On September 17, 2009, the Town granted a franchise to Louisiana Gas Service Company to supply natural and or artificial gas to the Town and the inhabitants thereof for a period of 20 years. In consideration, the Town shall receive a fee of 2% of the gross receipts from sales of natural and/or artificial gas within the corporate limits of the Town from November 1, 2009 to October 31, 2029.

(15) LA DOTD Maintenance Agreement

The provisions of Section 193 of Title 48 of the Louisiana Revised Statutes of 1950 require the Louisiana Department of Transportation and Development to repair and to keep in operating condition at its sole cost and expense, all municipal roads or streets designated in LA R.S. 48:191. The Town has requested and an agreement has been executed for the work to be performed by the Town. In consideration of this agreement, LDOTD agreed to annually reimburse the Town \$3,330 for the year ended June 30, 2023.

(16) Water Service Agreement

On March 24, 2023 the Town renewed its agreement with French Settlement Water Company, FSWC, that stipulates FSWC to provide water to the citizens of Springfield as well as maintain the water system and provide for any necessary capital expenditures on the water system. The Town receives a flat 10% of all revenues collected from the sale of water and FSWC keeps the remaining profit from the operation of the water system. The agreement is for 3 years commencing March 24, 2023. The contract was extended in March for an additional three years.

TOWN OF SPRINGFIELD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(17) Interfund Transactions

A. Interfund receivables and payables consisted of the following at June 30, 2023.

	<u>Due From</u>	<u>Due To</u>
Governmental Funds - General Fund	\$ 40,068	\$ -
Proprietary Fund - Enterprise Fund	<u>-</u>	<u>40,068</u>
Total	<u>\$ 40,068</u>	<u>\$ 40,068</u>

These balances resulted from short-term loans made to other funds. All interfund balances will be repaid within one year.

(18) Subsequent Events

Subsequent events have been evaluated by management through November 28, 2023, the date the financial statements were available to be issued and these financial statements considered subsequent events through such date. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2023.

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF SPRINGFIELD, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the year ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues.				
Taxes	\$ 486,300	\$ 514,800	\$ 539,480	\$ 24,680
Licenses and permits	21,400	17,100	20,630	3,530
Intergovernmental	25,130	433,890	437,685	3,795
Fines and forfeitures	50,000	41,600	33,903	(7,697)
Interest	100	1,800	3,668	1,868
Other	<u>12,100</u>	<u>20,800</u>	<u>18,827</u>	<u>(1,973)</u>
Total revenues	<u>595,030</u>	<u>1,029,990</u>	<u>1,054,193</u>	<u>24,203</u>
Expenditures				
Current -				
General government	214,050	238,700	239,182	(482)
Public safety	231,150	246,700	241,254	5,446
Public works	137,500	160,200	162,144	(1,944)
Capital outlay				
General government	5,000	380,000	395,000	(15,000)
Public safety	<u>2,500</u>	<u>5,800</u>	<u>5,552</u>	<u>248</u>
Total expenditures	<u>590,200</u>	<u>1,031,400</u>	<u>1,043,132</u>	<u>(11,732)</u>
Net change in fund balance	4,830	(1,410)	11,061	12,471
Fund balance, beginning	<u>335,437</u>	<u>358,724</u>	<u>358,724</u>	<u>-</u>
Fund balance, ending	<u>\$ 340,267</u>	<u>\$ 357,314</u>	<u>\$ 369,785</u>	<u>\$ -</u>

Budget and Budgetary Accounting

Budgetary procedures applicable to the Town are defined in state law, Louisiana Revised Statutes 39:1301-15. The major requirements of the Local Government Budget Act are summarized as follows:

- A. The Town must adopt a budget each year for the general fund and each special revenue fund, if applicable
- B. The chief executive officer or equivalent must prepare a proposed budget and submit the proposed budget to the Board of Aldermen for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the Town has jurisdiction.
- C. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year.
- D. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
- E. All budgetary appropriations lapse at the end of each fiscal year.
- F. Budgets for the general fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).
- G. At June 30, 2023, the Town had the following funds with an excess of expenditures over appropriations:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 590,200	\$ 1,031,400	\$ 1,043,132	\$ (11,732)

The negative variance will not result in a violation of the Louisiana Local Government Budget Act.

SUPPLEMENTARY INFORMATION

TOWN OF SPRINGFIELD, LOUISIANA

Schedule of Compensation, Benefits, and Other Payments to Agency Head
Thomas Abels, Mayor
June 30, 2023

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 14,400
Conferences	<u>446</u>
Total	<u>\$ 14,846</u>

TOWN OF SPRINGFIELD, LOUISIANA

Schedule of Compensation
Board of Aldermen
June 30, 2023

Aldermen:

Hunter Stoetzner	\$ 6,100
Ronald Starkey	6,150
James Fabre	6,200
Tracy Bryson	7,350
Roy Miller	<u>6,150</u>
	<u>\$ 31,950</u>

TOWN OF SPRINGFIELD, LOUISIANA

Schedule of Justice System Funding - Collecting / Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2023

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
Cash Basis Presentation		
Beginning Balance of Amounts Collected (I.e. cash on hand)	\$ 76	105
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture-Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation-Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	19,766	13,657
Subtotal Collections	<u>19,766</u>	<u>13,657</u>
Less: Disbursements to Governments & Nonprofits:		
State Treasury Disability Affairs	-	-
Treasury State of Louisiana CMIS	63	49
DHH Traumatic Head & Spinal Cord Injury Trust	210	95
Judicial Administration, Supreme Court of LA	21	28
21st JDC Public Defender Office	-	-
Louisiana Commission on Law Enforcement	121	77
Florida Parishes Juvenile Justice Commission	240	105
Less: Amount Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Amounts "Self-Disbursed" to Collecting Agency - Other	19,082	13,380
Less: Disbursements to Individual /3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individual (additional detail is not required)	-	-
Other Disbursements to Individual (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	<u>19,737</u>	<u>13,734</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ 105</u>	<u>\$ 28</u>

Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained.

OTHER INFORMATION

TOWN OF SPRINGFIELD, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes:				
Sales and use	\$410,000	\$ 438,500	\$ 446,424	\$ 7,924
Franchise	36,200	36,200	36,969	769
Insurance premium	<u>40,100</u>	<u>40,100</u>	<u>56,087</u>	<u>15,987</u>
	<u>486,300</u>	<u>514,800</u>	<u>539,480</u>	<u>24,680</u>
Licenses, permits and fees:				
Occupational and liquor	<u>21,400</u>	<u>17,100</u>	<u>20,630</u>	<u>3,530</u>
Intergovernmental:				
State supplemental pay	15,000	15,800	15,600	(200)
Louisiana Beer Tax Distribution	6,800	6,800	6,862	62
American Rescue	-	27,960	27,960	-
State Grants	-	350,000	350,000	-
Fema Reimbursement	-	30,000	33,933	3,933
Department of Transportation	<u>3,330</u>	<u>3,330</u>	<u>3,330</u>	<u>-</u>
Total intergovernmental	<u>25,130</u>	<u>433,890</u>	<u>437,685</u>	<u>3,795</u>
Fines and forfeitures	<u>50,000</u>	<u>41,600</u>	<u>33,903</u>	<u>(7,697)</u>
Interest	<u>100</u>	<u>1,800</u>	<u>3,668</u>	<u>1,868</u>
Other:				
Accident reports	100	100	75	(25)
Cemetery income	7,900	11,900	9,257	(2,643)
LPSO supplement	3,600	3,600	3,600	-
Witness fees	100	100	50	(50)
Insurance Reimbursement	-	2,800	2,839	39
Miscellaneous	<u>400</u>	<u>2,300</u>	<u>3,006</u>	<u>706</u>
Total Other	<u>12,100</u>	<u>20,800</u>	<u>18,827</u>	<u>(1,973)</u>
Total revenues	<u>\$595,030</u>	<u>\$1,029,990</u>	<u>\$1,054,193</u>	<u>\$ 24,203</u>

TOWN OF SPRINGFIELD, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2023

	Actual		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Current:				
General government -				
General and Administrative:				
Salaries - Mayor	\$ 14,400	\$ 14,400	\$ 14,400	\$ -
Salaries, Alderman	32,200	32,300	31,950	350
Salaries - Clerical	50,600	55,300	54,682	618
Salaries - American Rescue	-	10,900	8,160	2,740
Payroll taxes	7,500	8,500	8,175	325
Accounting and auditing	30,000	32,000	31,000	1,000
Conventions and travel	4,500	7,400	8,269	(869)
Coroner	200	200	50	150
Dues and subscriptions	900	3,200	5,009	(1,809)
Emergency Expenses	-	400	413	(13)
Insurance	21,050	20,600	18,258	2,342
Internet	3,100	2,500	2,500	-
Legal	1,000	1,000	150	850
Miscellaneous	1,000	3,700	5,384	(1,684)
Office expense	19,300	24,200	27,061	(2,861)
Official journal	1,600	1,000	764	236
Professional fees	2,000	1,700	1,500	200
Repairs and maintenance	4,500	3,900	1,851	2,049
Software	900	1,300	945	355
Telephone	2,400	-	-	-
Unemployment	200	1,100	813	287
Utilities	7,200	6,200	6,803	(603)
Total general and administrative	<u>204,550</u>	<u>231,800</u>	<u>228,137</u>	<u>3,663</u>
Municipal court costs -				
Court Magistrate	1,300	500	1,515	(1,015)
Law enforcement fees	3,900	1,000	958	42
Total municipal court costs	<u>5,200</u>	<u>1,500</u>	<u>2,473</u>	<u>(973)</u>
Other -				
Community activities	4,300	5,400	8,572	(3,172)
Total general government	<u>214,050</u>	<u>238,700</u>	<u>239,182</u>	<u>(482)</u>

(continued)

TOWN OF SPRINGFIELD, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2023

	Actual		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Public safety -				
Police:				
Salaries	\$ 123,300	\$ 121,600	\$ 123,490	\$ (1,890)
Salaries - American Rescue	-	17,600	13,200	4,400
Payroll taxes	11,600	12,100	12,113	(13)
Supplemental Pay	18,000	15,800	15,600	200
Auto fuel	21,000	19,500	18,402	1,098
Auto maintenance	6,000	9,200	7,994	1,206
Conference	2,500	2,000	1,744	256
Dues	150	-	-	-
Employee testing	600	300	-	300
Insurance	28,700	30,500	32,239	(1,739)
Miscellaneous	100	100	-	100
Office expense	8,000	9,000	7,715	1,285
Supplies	200	400	912	(512)
Training	3,000	1,100	578	522
Uniforms	3,000	2,500	2,267	233
Total police	<u>226,150</u>	<u>241,700</u>	<u>236,254</u>	<u>5,446</u>
Fire:				
LPFD #2	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total public safety	<u>231,150</u>	<u>246,700</u>	<u>241,254</u>	<u>5,446</u>
Public works -				
Streets:				
Salaries	19,400	20,300	20,796	(496)
Salaries - American Rescue	-	6,600	6,600	-
Payroll taxes	1,500	3,100	2,872	228
Auto fuel	5,000	3,600	3,859	(259)
Conference	-	700	721	(21)
Supplies	4,100	8,600	6,988	1,612
Street maintenance	5,000	6,300	7,503	(1,203)
Equipment maintenance	3,000	1,600	1,714	(114)
Street lights	10,200	11,900	13,023	(1,123)
Insurance	7,500	7,200	7,871	(671)
Utilities	800	600	712	(112)
Total streets	<u>56,500</u>	<u>70,500</u>	<u>72,659</u>	<u>(2,159)</u>
Sanitation:				
Collection	<u>74,000</u>	<u>82,700</u>	<u>83,061</u>	<u>(361)</u>

(continued)

TOWN OF SPRINGFIELD, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Cemetery:				
Maintenance	\$ 7,000	\$ 7,000	\$ 6,250	\$ 750
Other	-	-	174	(174)
Total cemetery	<u>7,000</u>	<u>7,000</u>	<u>6,424</u>	<u>576</u>
Total public works	<u>137,500</u>	<u>160,200</u>	<u>162,144</u>	<u>(1,944)</u>
Capital outlay:				
General government	5,000	380,000	395,000	(15,000)
Public safety -				
Police	<u>2,500</u>	<u>5,800</u>	<u>5,552</u>	<u>248</u>
Streets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital outlay	<u>7,500</u>	<u>385,800</u>	<u>400,552</u>	<u>(14,752)</u>
Total expenditures	<u>\$ 590,200</u>	<u>\$ 1,031,400</u>	<u>\$ 1,043,132</u>	<u>\$ (11,732)</u>
Other financing sources:				
Transfer from proprietary fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF SPRINGFIELD, LOUISIANA
Enterprise Fund
Sewer Fund

Schedule of Number of Sewer Customers
June 30, 2023

Records maintained by the Town indicated the following number of customers were being served during the month of June 30, 2023:

<u>Department</u>	<u>Customers</u>	<u>Rate</u>
Residential	92	\$35.00 per month
Commercial	31	\$70.00 per month
Schools	2	\$400.00 per month
Apartments	1	\$600.00 per month

TOWN OF SPRINGFIELD, LOUISIANA
Enterprise Fund
Sewer Fund

Schedule of Aged Accounts Receivable
June 30, 2023

At June 30, 2023, the receivables due from customers are as follows:

Account receivable:	
Current	\$ 5,523
31 - 60 days	1,036
over 60 days	<u>6,104</u>
Subtotal	12,663
Less: allowance for doubtful accounts	<u>(5,609)</u>
Accounts receivables, net	<u>\$ 7,054</u>

TOWN OF SPRINGFIELD, LOUISIANA

Schedule of Insurance in Force

June 30, 2023

Description of Coverage	Coverage Amounts	Effective Dates
General liability-		
Premises operations per occurrence	\$ 500,000	05/20/23 - 05/20/24
Medical payments-		
Per person	1,000	
Per accident	10,000	
Fire legal liability per occurrence	50,000	
Law enforcement officer	500,000	
Errors and omissions	500,000	
Automobile	500,000	
Police Equipment	193,767	10/10/22 - 10/10/23
Property-		03/07/23 - 03/07/24
Town Hall Building	217,282	
Personal property	55,697	
Treatment Plant Building	1,049,670	
Pump stations	865,200	
Storage Buildings	56,100	
Equipment	69,978	
Water Tank & Chlorinator	1,399,560	

INTERNAL CONTROL, COMPLIANCE

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 Thomas Abels, Mayor
and Members of the Board of Aldermen
Town of Springfield, 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, and each major fund of the Town of Springfield, Louisiana (the Town) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated November 28, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying summary schedule of current year audit findings and management's corrective action plan as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The Town of Springfield, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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. 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

Baton Rouge, Louisiana
November 28, 2023

TOWN OF SPRINGFIELD, LOUISIANA

Schedule of Current Year Audit Findings
and Management's Corrective Action Plan
For the Year Ended June 30, 2023

A. Internal Control Finding -

2023-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2018

CRITERIA: Committee of Sponsoring Organizations (COSO) *Internal Control – Integrated Framework* and the Louisiana Legislative Auditor's *Governmental Audit Guide*

CONDITION: The Town did not have adequate segregation of functions within the accounting system.

CAUSE: Due to the size of the Town, there are a small number of available employees.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud may occur and not be prevented or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation

MANAGEMENT'S CORRECTION 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.

B. Compliance Findings -

No items to report.

TOWN OF SPRINGFIELD, LOUISIANA

Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023

Internal Control Findings –

2022-001 Inadequate Segregation of Accounting Functions

CONDITION: The Town did not have adequate segregation of functions within the accounting system.

MANAGEMENT'S CORRECTION 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.

CURRENT STATUS: Unresolved – See Internal Control Finding 2023-001.

2022-002 Failure to Remit Payroll Taxes

CONDITION: The Town did not have adequate controls to ensure all payroll taxes were properly remitted to the Department of the Treasury.

MANAGEMENT'S CORRECTION ACTION PLAN: The Town has revised their payroll procedures and has implemented online payments to the appropriate agencies to ensure payroll tax deposits are made timely.

CURRENT STATUS: Resolved

Compliance Findings –

2022-003 Failure to Remit Payroll Taxes Timely

See Internal Control finding 2022-002.

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MANAGEMENT LETTER

The Honorable Thomas Abels, Mayor
and Members of the Board of Aldermen
Town of Springfield, Louisiana

We have completed our audit of the basic financial statements of the Town of Springfield Louisiana for the year ended June 30, 2023, and submit the following recommendation for your consideration:

The Utility Fund experienced operating loss of \$182,531 during the current year. The Town should evaluate operations to determine methods to increase revenues and/or reduce expenses in order to operate at a surplus.

In conclusion, we express our appreciation to you and your staff, particularly to your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing our recommendation, please feel free to contact us.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
November 28, 2023

Town of Springfield
Springfield, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2022 through June 30, 2023

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Tommy Abels, Mayor
and the Members of the Board of Alderman,
Town of Springfield, and the
Louisiana Legislative Auditor:

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

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

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

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash checks money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers registers.
 - b) Each employee responsible for collecting cash is not also responsible for preparing making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3 (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5)
9. For each location selected under procedure #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality): should not be reported.]
10. For each location selected under procedure #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9 above, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials such as the mayor of a Lawrason Act municipality should not be reported).
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under procedure #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.*

Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe whether the contract was approved by the governing body board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agrees to the authorized salary-pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

- b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24.523.
26. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24.523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test verification was successfully performed within the past 3 months
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
30. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
31. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Findings:

No exceptions were found as a result of procedures listed above with the exception of:

Policies & Procedures

The Town does not have written policies and procedures addressing how vendors are added to the vendor list.

The Town does not have written policies and procedures addressing the required approvers of travel expenses.

The Town does not have written policies and procedures addressing Debt Service

The Town does not have written policies and procedures addressing Information Technology Disaster Recovery; Business Continuity.

Bank Reconciliations

One out of the five bank reconciliations tested was not prepared within two months of the statements closing date.

One out of the five bank reconciliations tested did not include evidence of researching items that have outstanding for more than twelve months.

Cash Collections

At the collection location tested, the person responsible for collecting cash shares the register/drawer with another person.

At the collection location tested, the person responsible for collecting cash also deposits the cash in the bank.

At the collection location tested, the person responsible for collecting cash also records the deposit.

Non-Payroll Disbursements:

The employee responsible for processing payments also mails payments.

The employee responsible for processing payments is not prohibited from adding/modifying vendor files.

Sexual Harassment:

Two out of the five employees tested did not complete the sexual harassment training requirement

Management's Response:

The Town of Springfield concurs with the exceptions and is working to address the deficiencies identified.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
November 28, 2023