

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**

*Financial Report*  
*For the Year Ended June 30, 2024*



MAXWELL CPA, LLC, *Certified Public Accountant*, Sterlington, Louisiana

**TOWN OF FARMERVILLE, LOUISIANA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**FINANCIAL REPORT**  
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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen of the  
Town of Farmerville, Louisiana

### Report on the Audit of the Financial Statements

#### *Opinions*

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Farmerville, Louisiana (the Town), as of and for the year ended June 30, 2024, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Town of Farmerville, Louisiana, as of June 30, 2024, 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*

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Town and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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***

My 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 my 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 judgement 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*, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Farmerville, Louisiana'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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Farmerville, Louisiana's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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, budgetary comparison information, schedule of changes in net OPEB liability and related ratios, schedule of proportionate share of net pension liability, and the schedule of employer's pension contribution on pages 4 through 11 and 59 through 69, 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

Honorable Mayor and Board of Aldermen of the  
Town of Farmerville, Louisiana

it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Farmerville Louisiana's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, schedule of compensation paid to council members, LCDBG public facilities improvement project – balance sheet, LCDBG public facilities improvement project – schedule of revenues, expenditures, and changes in net position, the justice system funding schedule - collecting/disbursing entity, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying schedule of compensation, benefits, and other payments to agency head, schedule of compensation paid to council members, LCDBG public facilities improvement project – balance sheet, LCDBG public facilities improvement project – schedule of revenues, expenditures, and changes in net position, the justice system funding schedule - collecting/disbursing entity, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated January 2, 2025, on my consideration of the Town's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Farmerville Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Maxwell CPA, LLC

Sterlington, Louisiana  
January 2, 2025

REQUIRED SUPPLEMENTAL INFORMATION (PART A)  
MANAGEMENT'S DISCUSSION AND ANALYSIS

# TOWN OF FARMERVILLE, LOUISIANA

## Management's Discussion and Analysis Year Ended June 30, 2024

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As management of the Town of Farmerville, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements. The intent of this discussion and analysis is to look at the Town's financial performance as a whole.

### FINANCIAL HIGHLIGHTS

- The assets of the Town of Farmerville, on a government-wide basis, exceeded its liabilities at the close of the fiscal year by \$22,215,800 (net position).
- At the end of the current fiscal year, the Town of Farmerville's governmental funds reported combined ending fund balances of \$5,438,804.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$2,874,876 or 72% of the total general fund expenditures.
- The general fund reported a deficit of \$350,494 before transfers, and a surplus of \$134,095 after transfers.
- The Town completed many projects that included improvements to infrastructure. The additions and improvements to the Town's Capital Assets totaled \$2,261,101 in the current year.
- The Town's bonded debt had a net decrease of \$369,490. Total bonded debt at June 30, 2024 was \$6,378,047.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town of Farmerville's basic financial statements. The Town's basic financial statements comprise three components:

- *Government-wide financial statements,*
- *Fund financial statements,*
- *Notes to the financial statements.*

This report contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the Town's government, reporting the Town's operations in more detail than the government-wide statements.
  - The governmental fund statements tell how general government services like public safety were financed in the short term as well as what amounts remain for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the public utilities (water and sewer).

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

In the past, the primary focus of local government financial statements has been summarized fund type information on a current financial resources basis. However, with the implementation of Statement No. 34 of the Governmental Accounting Standards Board (GASB Statement No. 34) for June 30, 2003, the new focus is on both the Town as a whole (government-wide) and the fund financial statements. Each view provides a different snapshot of the Town's finances. The government-wide financial statements provide both long-term and short-term information about the Town's overall financial status. The fund financial statements focus on the individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year-to-year or government-to-government) and enhance the Town's accountability.

## **GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the Town of Farmerville as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position and the Statement of Activities, which are the government-wide statements, include all of the government's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the Town's net position and how they have changed. Net position – the difference between the Town's assets and liabilities – is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position is an indicator of whether its financial health is improving or deteriorating. Other non-financial factors such as changes in the Town's property tax base and the condition of the Town's roads and other infrastructure may need to be considered to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, the Town is divided into two categories:

- Governmental activities – Most of the Town's basic services are included here, such as the activities of the police, fire, public works, social services, parks and recreation departments, and general administration. Sales taxes and grants finance most of these activities.
- Business-type activities – The Town charges fees to customers to cover the cost of certain services it provides. The Town's water and sewer are included here.

## **FUND FINANCIAL STATEMENTS**

The format of the fund financial statements will be more familiar to traditional users of government financial statements. The fund financial statements provide more detailed information about the Town's most significant funds – not the Town as a whole. Funds are accounting mechanisms that the Town uses to keep track of specific sources of funding and spending for particular purposes.

The Town has two kinds of funds:

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

The Total Governmental Funds column requires reconciliation because of the different measurement focus from the government-wide statements (current financial resources versus total economic resources), which is reflected at the bottom of or following each statement. The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bond and others) into the Governmental Activities column (in the government-wide statements).

## **FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The Town's combined net position for the 2023-2024 fiscal year increased by \$918,179. Table 1 shows the statement of net position for the year ending 2023 and the year ending 2024. The table also shows the net position for governmental activities, business type activities and combines them into the total primary government.

### **Statement of Net Position**

The following table reflects the condensed statement of net position:

**Net Position of Governmental and Business Type Activities**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
<b><u>Assets</u></b>						
Current Assets	\$ 5,574,049	\$ 7,138,282	\$ 1,935,713	\$ 1,081,461	\$ 7,509,762	\$ 8,219,743
Capital Assets, Net	<u>13,138,232</u>	<u>12,268,107</u>	<u>11,147,421</u>	<u>11,085,791</u>	<u>24,285,653</u>	<u>23,353,898</u>
Total Assets	18,712,281	19,406,389	13,083,134	12,167,252	31,795,415	31,573,641
<b><u>Deferred Outflows</u></b>						
<b><u>of Resources</u></b>	903,140	906,667	226,568	284,013	1,129,708	1,190,680
<b><u>Liabilities</u></b>						
Current Liabilities	602,120	1,101,434	740,157	555,355	1,656,789	1,656,789
Non-Current Liabilities	<u>6,441,392</u>	<u>6,648,122</u>	<u>2,745,990</u>	<u>2,899,125</u>	<u>9,547,247</u>	<u>9,547,247</u>
Total Liabilities	7,043,512	7,749,556	3,486,147	3,454,480	10,529,659	11,204,036
<b><u>Deferred Inflows</u></b>						
<b><u>of Resources</u></b>	143,717	210,892	35,947	51,772	179,664	262,664
<b><u>Net Position</u></b>						
Net Investment						
in Capital Assets	8,704,462	7,547,231	9,066,591	8,938,334	17,771,053	16,485,565
Restricted	-	-	830,522	476,291	830,522	476,291
Unrestricted	<u>3,723,730</u>	<u>4,805,377</u>	<u>(109,505)</u>	<u>(469,612)</u>	<u>3,614,225</u>	<u>4,335,765</u>
Total Net Position	\$12,428,192	\$ 12,352,608	\$ 9,787,608	\$ 8,945,013	\$ 22,215,800	\$ 21,297,621

Net position (assets less liabilities) may serve over time as a useful indicator of a government's financial position. The Town of Farmerville's assets exceeded liabilities by \$22,215,800 at the close of the fiscal year.

Approximately \$830,500 of the Town's net position is subject to restrictions.

**Governmental Activities**

Net position of the Town's governmental activities increased from \$12,352,608 to \$12,428,192.

**Business-type Activities**

Net position of the Town's business-type activities increased from \$8,945,013 to \$9,787,608.

**Statement of Activities**

The following table shows the revenues and expenses of the governmental and business-type activities:

**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
<b><u>Revenues</u></b>						
Program Revenues						
Charges for Services	\$ 633,736	\$ 650,885	\$ 2,241,969	\$ 2,018,757	\$ 2,875,705	\$ 2,669,642
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	774,819	688,490	790,605	21,034	1,565,424	709,524
General Revenues						
Property Taxes	809,483	798,408	-	-	809,483	798,408
Sales Taxes	3,025,444	2,926,194	-	-	3,025,444	2,926,194
Intergovernmental	135,228	207,311	-	-	135,228	207,311
Fines and Forfeitures	65,187	64,227	-	-	65,187	64,227
Franchise	252,629	239,412	-	-	252,629	239,412
Licenses and Permits	272,873	310,609	-	-	272,873	310,609
Miscellaneous	357,500	547,597	177,512	46,318	534,512	593,915
Sales of Assets	5,000	11,300	1,000	18,200	6,000	29,500
Interest Earned	183,260	70,708	46,580	8,154	229,840	78,862
Total Revenues	6,515,159	6,515,141	3,257,666	2,112,463	9,772,825	8,627,604
<b><u>Expenses</u></b>						
General Government	3,642,640	2,911,283	-	-	3,642,640	2,911,283
Public Safety	2,073,516	1,843,499	-	-	2,073,516	1,843,499
Culture and Recreation	-	-	-	-	-	-
Interest on Long-Term Debt	169,164	121,924	-	-	169,164	121,924
Utilities	-	-	2,969,326	2,787,650	2,969,326	2,787,650
Total Expenses	5,885,320	4,876,706	2,969,326	2,787,650	8,854,646	7,664,356
Increase (Decrease) in Net Position Before Transfers	629,839	1,638,435	288,340	(675,187)	918,179	963,248
Transfers	(554,255)	107	554,255	(107)	-	-
Increase/Decrease in Net Position	\$ 75,584	\$ 1,638,542	\$ 842,595	\$ (675,294)	\$ 918,179	\$ 963,248

**Governmental Activities**

The Town's total revenues from governmental activities increased from \$6,515,141 (year end 2023) to \$6,515,159 (year end 2024). Revenues were relatively unchanged from the prior year. Farmerville's largest source of general revenue (\$3,834,927) is taxes, composed of property tax, sales tax, insurance premium taxes, and beer tax.

Fifty-nine percent of the Town's revenue from governmental activities comes from these taxes. Capital Grants (\$774,819) was the second largest revenue source for governmental activities.

The Town's expenses from governmental activities for the fiscal year ended June 30, 2024 were \$5,885,320, an increase of \$1,008,614 from year end 2023. These expenses cover a wide range of services with the largest being public safety \$2,073,516 or 35%, and general government \$3,642,640 or 62%.

### **Business-Type Activities**

The total revenues from business-type activities were \$3,257,666 for the fiscal year ended June 30, 2024. Charges for services increased by approximately \$223,000. Expenses for the Town's business-type activities were \$2,969,326.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The Town of Farmerville uses Fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Government Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,438,804.

The general fund is the chief operating fund of the Town. At the end of the fiscal year, unassigned fund balance of the general fund was \$2,874,876. As a measure of the general fund liquidity, it may be useful to compare unassigned fund balance to total expenditures. Unassigned fund balance represents 72% of the total general fund expenditures. Due to the uncertain economic conditions, expenditures were closely monitored and correlated to revenues received.

The Town spent a total of \$1,946,333 (including capital outlay) out of the Sales Tax Fund for repairs and maintenance to streets. This amount increased by \$1,746,556 from last year.

### **Proprietary Funds**

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Water Fund at the end of the year was \$4,927,662. The fund had an operating loss for the year of \$420,195 after depreciation.

Net position of the Sewer Fund at the end of the year was \$4,859,946. The fund had an operating loss for the year of \$127,719 after depreciation.

### **General Fund Budgetary Highlights**

Over the course of the year, the Town Council revised the Town budget once. The difference between the original expenditure budget and the actual amount of expenditures was an increase of \$696,971. Actual total revenues were \$623,788 more than the original budget.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The following table shows the Capital Assets (net of depreciation) of the governmental and business type activities:

	Capital Assets					
	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 873,506	\$ 574,086	\$ 25,752	\$ 25,752	\$ 899,258	\$ 599,838
Construction in Progress	-	3,114,073	295,811	234,964	295,811	3,349,037
Buildings	1,836,079	1,851,821	-	-	1,836,079	1,851,821
Improvements	1,069,417	748,151	-	-	1,069,417	748,151
Equipment	1,293,047	1,271,722	-	-	1,293,047	1,271,722
Infrastructure	8,066,183	4,663,210	-	-	8,066,183	4,663,210
Water System	-	-	4,342,631	6,612,845	4,342,631	6,612,845
Sewer System	-	-	6,483,229	4,212,230	6,483,229	4,212,230
Total	\$ 13,138,232	\$ 12,223,063	\$ 11,147,423	\$ 11,085,791	\$ 24,285,655	\$ 23,308,854

The Town of Farmerville's investment in Capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$24,285,655 (net of depreciation). This is an increase of \$976,801 from last year. This investment includes land, construction in progress, buildings and improvements, equipment, infrastructure, water and sewer.

### Long-term Debt

The following table shows the Town's outstanding debt:

	Outstanding Debt	
	2024	2023
2022 Revenue Bonds	\$ 3,775,000	\$ 3,985,000
2010 Revenue Bonds	205,000	235,000
2016 Revenue Bonds	275,000	316,000
USDA Loan	42,217	64,080
Sewer Revenue Bonds	165,671	190,000
USDA Loan	1,915,159	1,957,457
USDA Loan	-	-
Vacation, Sick & Comp Time	164,358	99,904
Total	\$ 6,542,405	\$ 6,847,441

At the end of the fiscal year, the Town of Farmerville had total debt outstanding of \$6,542,405. This is a decrease of \$305,036 in total debt.

Additional information of the Town's long-term debt can be found in Note 8 in the Notes to the Financial Statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Factors considered in preparing the Town of Farmerville's budget for the 2025 fiscal year are revenues and expenditures are expected to be similar to the prior year except for the increase in grant revenues and expenditures. With current economic conditions, tax revenues are projected to remain flat for the next fiscal year.

## **OTHER POST-EMPLOYMENT BENEFITS**

In the year ended June 30, 2024, the Town of Farmerville has complied with requirements of Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting for Post Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Schedule of Changes in Net OPEB Liability and Related Ratios* as determined by actuarial computations. The disclosure of these amounts are presented in more detail in the Notes to the Financial Statements.

## **PENSIONS**

In the year ended June 30, 2024, the Town of Farmerville has complied with requirements of Government Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions*. This statement requires that employers disclose the *Net Pension Liability, Deferred Inflows and Deferred Outflows* as determined by actuarial computations. The disclosure of these amounts are presented in more detail in the Notes to the Financial Statements.

## **REQUEST FOR INFORMATION**

The financial report is designed to provide citizens, taxpayer, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Town Clerk, P.O. Box 427, Farmerville, Louisiana 71241.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Governmental Activities	Business-Type Activities	Total
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 5,068,525	\$ 1,703,381	\$ 6,771,906
Receivables Net	-	274,452	274,452
Due from Other Governments	260,938	-	260,938
Prepaid Expenses	141,833	57,173	199,006
Due To/From Other Funds	99,293	(99,293)	-
Lease Asset (Net)	3,460	-	3,460
Capital Assets, Net:			
Non Depreciable Assets	873,506	321,563	1,195,069
Depreciable Assets	12,264,726	10,825,858	23,090,584
<b><u>Total Assets</u></b>	<u>18,712,281</u>	<u>13,083,134</u>	<u>31,795,415</u>
<b><u>Deferred Outflows of Resources</u></b>	<u>903,140</u>	<u>226,568</u>	<u>1,129,708</u>
<b><u>Liabilities</u></b>			
Accounts Payable	130,278	457,162	587,440
Accrued Liabilities	1,507	-	1,507
Accrued Interest Payable	23,000	-	23,000
Customer Deposits	-	182,890	182,890
Current Portion of Lease Liability	3,564	-	3,564
Current Portion of Long-Term Obligations	443,771	100,105	543,876
Non-Current Portion of Long-Term Obligations	3,986,435	2,012,094	5,998,529
Post Retirement Benefits	316,532	92,616	409,148
Net Pension Liability	2,138,425	641,280	2,779,705
<b><u>Total Liabilities</u></b>	<u>7,043,512</u>	<u>3,486,147</u>	<u>10,529,659</u>
<b><u>Deferred Inflows of Resources</u></b>	<u>143,717</u>	<u>35,947</u>	<u>179,664</u>
<b><u>Net Position</u></b>			
Net Investment in Capital Assets	8,704,462	9,066,591	17,771,053
Restricted for Debt Service	-	830,522	830,522
Unrestricted	3,723,730	(109,505)	3,614,225
<b><u>Total Net Position</u></b>	<u>\$ 12,428,192</u>	<u>\$ 9,787,608</u>	<u>\$ 22,215,800</u>

The accompanying notes are an integral part of this financial statement.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Function/Program Activities	Program Revenues				Net (Expense) Revenues and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Government Activities:</b>							
General Government	\$ 3,642,640	\$ 633,736	\$ -	\$ 774,819	\$ (2,234,085)	\$ -	\$ (2,234,085)
Public Safety	2,073,516	-	-	-	(2,073,516)	-	(2,073,516)
Interest on Long-Term Debt	169,164	-	-	-	(169,164)	-	(169,164)
<b>Total Governmental Activities</b>	<b>5,885,320</b>	<b>633,736</b>	<b>-</b>	<b>774,819</b>	<b>(4,476,765)</b>	<b>-</b>	<b>(4,476,765)</b>
<b>Business-Type Activities:</b>							
Water	2,298,494	1,713,659	-	385,000	-	(199,835)	(199,835)
Sewer	670,832	528,310	-	405,605	-	263,083	263,083
<b>Total Business-Type Activities</b>	<b>2,969,326</b>	<b>2,241,969</b>	<b>-</b>	<b>790,605</b>	<b>-</b>	<b>63,248</b>	<b>63,248</b>
<b>Total Government</b>	<b>\$ 8,854,646</b>	<b>\$ 2,875,705</b>	<b>\$ -</b>	<b>\$ 1,565,424</b>	<b>(4,476,765)</b>	<b>63,248</b>	<b>(4,413,517)</b>
<b>General Revenues:</b>							
Taxes:							
General Government					257,332	-	257,332
Fire Department					542,447	-	542,447
Housing Authority in Lieu of Taxes					9,704	-	9,704
Sales Tax					3,025,444	-	3,025,444
Franchise Taxes					252,629	-	252,629
Licenses and Permits					272,873	-	272,873
Intergovernmental					135,228	-	135,228
Fines and Forfeitures					65,187	-	65,187
Investment Earnings					183,260	46,580	229,840
Sale of Assets					5,000	1,000	6,000
Transfers					(554,255)	554,255	-
Capital Contributions					-	-	-
Miscellaneous					357,500	177,512	535,012
<b>Total General Revenues</b>					<b>4,552,349</b>	<b>779,347</b>	<b>5,331,696</b>
<b>Changes in Net Position</b>					<b>75,584</b>	<b>842,595</b>	<b>918,179</b>
<b>Net Position - Beginning</b>					<b>12,352,608</b>	<b>8,945,013</b>	<b>21,297,621</b>
<b>Net Position - Ending</b>					<b>\$ 12,428,192</b>	<b>\$ 9,787,608</b>	<b>\$ 22,215,800</b>

The accompanying notes are an integral part of this financial statement.

## FUND FINANCIAL STATEMENTS

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	Major Funds				Total
	General Fund	Sales Tax	Recreation Sales Tax	ARPA Fund	Governmental Funds
<b><u>Assets</u></b>					
Cash and Cash Equivalents	\$ 2,790,762	\$ 1,108,917	\$ 994,347	\$ 174,499	\$ 5,068,525
Due from Other Governments	65,346	130,395	65,197	-	260,938
Prepaid Items	103,850	27,006	10,977	-	141,833
Due From Other Funds	99,293	-	-	-	99,293
<b><u>Total Assets</u></b>	<u>3,059,251</u>	<u>1,266,318</u>	<u>1,070,521</u>	<u>174,499</u>	<u>5,570,589</u>
<b><u>Liabilities</u></b>					
Accounts Payable	79,018	42,301	8,959	-	130,278
Due to Other Funds	-	-	-	-	-
Other Liabilities	1,507	-	-	-	1,507
<b><u>Total Liabilities</u></b>	<u>80,525</u>	<u>42,301</u>	<u>8,959</u>	<u>-</u>	<u>131,785</u>
<b><u>Fund Balances</u></b>					
Nonspendable	103,850	27,006	10,977	-	141,833
Restricted	-	1,197,011	1,050,585	174,499	2,422,095
Unassigned	2,874,876	-	-	-	2,874,876
<b><u>Total Fund Balances</u></b>	<u>2,978,726</u>	<u>1,224,017</u>	<u>1,061,562</u>	<u>174,499</u>	<u>5,438,804</u>
<b><u>Total Liabilities and Fund Balances</u></b>	<u>\$ 3,059,251</u>	<u>\$ 1,266,318</u>	<u>\$ 1,070,521</u>	<u>\$ 174,499</u>	<u>\$ 5,570,589</u>

The accompanying notes are an integral part of this financial statement.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**RECONCILIATION OF GOVERNMENTAL**  
**FUND BALANCE TO STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

Total Governmental Fund Balances \$ 5,438,804

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental Capital Assets	22,274,191
Less: Accumulated Depreciation	(9,135,959)
Lease Asset	22,492
Less: Accumulated Amortization	(19,032)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Accrued Interest Payable	(23,000)
Lease Liability	(3,564)
USDA Bonds Payable	(42,217)
2010 Bonds	(205,000)
2022 Bonds	(3,775,000)
2016 Bonds	(275,000)
Compensated Absences	(132,989)
Net OPEB Obligation (including Deferred Inflow/Outflow)	(411,716)
Net Pension Liability (included Deferred Inflow/Outflow)	(1,283,818)

Net Position of Governmental Activities	<u><u>\$ 12,428,192</u></u>
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The accompanying notes are an integral part of this financial statement.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Major Funds				Total Government Funds
	General Fund	Sales Tax	Recreational Sales Tax	ARPA Fund	
<b><u>Revenues</u></b>					
Property Taxes	\$ 809,482	\$ -	\$ -	\$ -	\$ 809,482
Sales Taxes	756,360	1,512,724	756,360	-	3,025,444
Franchise Taxes	252,629	-	-	-	252,629
Licenses and Permits	272,873	-	-	-	272,873
Intergovernmental	399,392	510,655	-	-	910,047
Charges for Services	633,736	-	-	-	633,736
Fines and Forfeits	65,187	-	-	-	65,187
Miscellaneous	339,529	-	17,971	-	357,500
Interest Income	112,411	48,388	14,274	8,187	183,260
Sale of Assets	-	5,000	-	-	5,000
<b>Total Revenues</b>	<b>3,641,599</b>	<b>2,076,767</b>	<b>788,605</b>	<b>8,187</b>	<b>6,515,158</b>
<b><u>Expenditures</u></b>					
General Government	810,173	200,432	359,278	-	1,369,883
Public Safety	1,192,397	1,320	-	-	1,193,717
Fire Department	518,702	-	-	-	518,702
Sanitation Department	793,405	-	-	-	793,405
Streets	-	1,002,117	-	-	1,002,117
Capital Outlay	611,490	944,216	35,337	-	1,591,043
Debt Service:					
Principal Payments	64,712	92,863	210,000	-	367,575
Interest and Other	1,214	25,084	142,866	-	169,164
<b>Total Expenditures</b>	<b>3,992,093</b>	<b>2,266,032</b>	<b>747,481</b>	<b>-</b>	<b>7,005,606</b>
<b><u>Excess (Deficiency) of Revenues Over Expenditures</u></b>	<b>(350,494)</b>	<b>(189,265)</b>	<b>41,124</b>	<b>8,187</b>	<b>(490,448)</b>
<b><u>Other Financing Sources and (Uses)</u></b>					
Proceeds from Bond Issuance	-	-	-	-	-
Transfers In	492,089	59,954	-	-	552,043
Transfers Out	(7,500)	(255,000)	(15,500)	(828,298)	(1,106,298)
<b>Total Other Financing</b>	<b>484,589</b>	<b>(195,046)</b>	<b>(15,500)</b>	<b>(828,298)</b>	<b>(554,255)</b>
<b><u>Net Change in Fund Balance</u></b>	<b>134,095</b>	<b>(384,311)</b>	<b>25,624</b>	<b>(820,111)</b>	<b>(1,044,703)</b>
<b><u>Fund Balance - Beginning</u></b>	<b>2,844,631</b>	<b>1,608,328</b>	<b>1,035,938</b>	<b>994,610</b>	<b>6,483,507</b>
<b><u>FUND BALANCE - ENDING</u></b>	<b>\$ 2,978,726</b>	<b>\$ 1,224,017</b>	<b>\$ 1,061,562</b>	<b>\$ 174,499</b>	<b>\$ 5,438,804</b>

The accompanying notes are an integral part of this financial statement.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ (1,044,703)
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*Amounts reported for governmental activities in the statement of activities are different because:*

Government 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 - Net	1,591,043
Depreciation expense	(641,791)
Amortization Expense	(48,504)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayments of the principal of a long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows:

2022 Bond Payments	210,000
2016 Bond Payments	41,000
USDA Loan Payments	21,863
2010 Bond Payments	30,000
Lease Payments	26,647

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Loss on Disposal of Assets	(11,590)
Change in Compensated Absences	(57,977)
Change in Net Pension Liability	(68,068)
Change in Other Post Employment Benefit	(35,984)
Change in Deferred Inflows/Outflows	63,648

Change in Net Position in Governmental Activities	\$ 75,584
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The accompanying notes are an integral part of this financial statement.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water	Sewer	Total
<b><u>ASSETS</u></b>			
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	\$ 570,891	\$ 72,493	\$ 643,384
Accounts Receivable, Net	274,452	-	274,452
Prepaid Insurance	46,931	10,242	57,173
<b>Total Current Assets</b>	<b>892,274</b>	<b>82,735</b>	<b>975,009</b>
<b><u>Non-Current Assets from Restricted Assets</u></b>			
Cash and Cash Equivalents			
Water Fund - Meter Deposits	229,230	-	229,230
Depreciation and Contingency Fund	167,245	370,636	537,881
Construction Checking	111	134	245
USDA Accounts	292,641	-	292,641
<b>Total Restricted Assets</b>	<b>689,227</b>	<b>370,770</b>	<b>1,059,997</b>
Capital Assets:			
Property, Plant and Equipment at Cost	12,499,601	9,306,233	21,805,834
Less: Accumulated Depreciation	(6,016,373)	(4,963,603)	(10,979,976)
Construction in Process	-	295,811	295,811
Land	25,752	-	25,752
<b>Total Capital Assets</b>	<b>6,508,980</b>	<b>4,638,441</b>	<b>11,147,421</b>
<b><u>TOTAL ASSETS</u></b>	<b>8,090,481</b>	<b>5,091,946</b>	<b>13,182,427</b>
<b><u>Deferred Outflows of Resources</u></b>	<b>193,741</b>	<b>32,827</b>	<b>226,568</b>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable	395,595	61,567	457,162
Accrued Liabilities	-	-	-
<b>Total Current Liabilities</b>	<b>395,595</b>	<b>61,567</b>	<b>457,162</b>

Continued on next page.

The accompanying notes are an integral part of this financial statement.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water	Sewer	Total
<b><u>Liabilities Payable from Restricted Assets</u></b>			
Customer Deposits	182,890	-	182,890
Bonds Payable	70,171	29,934	100,105
Accrued Interest Payable	-	-	-
<b>Total Payable from Restricted Assets</b>	<u>253,061</u>	<u>29,934</u>	<u>282,995</u>
<b><u>Long Term Liabilities</u></b>			
Due To/From Sewer Funds	81,631	(81,631)	-
Due To/From Other Funds	99,293	-	99,293
Bonds Payable	1,871,423	140,671	2,012,094
Post Retirement Benefits	77,011	15,605	92,616
Net Position Liability	548,516	92,764	641,280
<b>Total Long-Term Liabilities</b>	<u>2,677,874</u>	<u>167,409</u>	<u>2,845,283</u>
<b><u>TOTAL LIABILITIES</u></b>	<u>3,326,530</u>	<u>258,910</u>	<u>3,585,440</u>
<b><u>Deferred Inflows of Resources</u></b>			
Resources Related to Pensions	<u>30,030</u>	<u>5,917</u>	<u>35,947</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets Net of Related Debt	4,593,821	4,472,770	9,066,591
Restricted for Debt Service	459,886	370,636	830,522
Unrestricted	(126,045)	16,540	(109,505)
<b>Total Net Position</b>	<u>\$ 4,927,662</u>	<u>\$ 4,859,946</u>	<u>\$ 9,787,608</u>

The accompanying notes are an integral part of this financial statement.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
<b><u>Operating Revenues</u></b>			
Charges for Services	\$ 1,713,659	\$ 528,310	\$ 2,241,969
Miscellaneous	127,926	5,510	133,436
<b>Total Operating Revenues</b>	<b>1,841,585</b>	<b>533,820</b>	<b>2,375,405</b>
<b><u>Operating Expenses</u></b>			
<b><u>Administrative Expenses</u></b>			
Salaries and Employee Benefits	586,644	135,113	721,757
Bad Debt Expense	10,610	-	10,610
Advertising	406	-	406
Auditing	20,052	3,556	23,608
Bank Charges	941	-	941
Computer Expense	6,210	-	6,210
Dues	575	-	575
Insurance - Liability	64,188	19,600	83,788
Miscellaneous	5,582	1,950	7,532
Office Supplies	10,262	-	10,262
Postage	9,482	-	9,482
Equipment and Truck Expense	24,172	11,631	35,803
Telephone Expense	8,085	2,396	10,481
Travel and Training	968	963	1,931
Water Bill Cost	18,240	-	18,240
<b>Total Administration</b>	<b>766,417</b>	<b>175,209</b>	<b>941,626</b>
<b><u>Materials and Supplies</u></b>			
Chlorine	45,202	5,203	50,405
Scada Network	10,377	-	10,377
Ozone #3 Expenses	66,434	-	66,434
Chemicals Test	4,607	15,488	20,095
Grant Expenses	400	-	400
Supplies	77,218	4,542	81,760
Pump Repairs	-	119,528	119,528
Equipment Maintenance	1,950	-	1,950

Continued on next page.

The accompanying notes are an integral part of this financial statement.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
<b><u>Materials and Supplies</u></b> (continued)			
Safe Drinking Program	\$ 25,526	\$ -	\$ 25,526
Major Well and Tank Repairs	25,817	-	25,817
Poultry Pride Water Well Repairs	593,791	-	593,791
Meter Replacement	16,799	-	16,799
Major Repairs and Additions	111,952	53,780	165,732
Vehicle/Equipment Fuel	18,272	-	18,272
Miscellaneous Repairs	-	-	-
Treatment Plant Repairs	-	23,769	23,769
Utilities	91,683	53,437	145,120
<b>Total Materials and Supplies</b>	<u>1,090,028</u>	<u>275,747</u>	<u>1,365,775</u>
Depreciation and Amortization	<u>405,335</u>	<u>210,583</u>	<u>615,918</u>
Total Operating Expenses	<u>2,261,780</u>	<u>661,539</u>	<u>2,923,319</u>
Net Operating Income (Loss)	(420,195)	(127,719)	(547,914)
<b><u>Non-Operating Revenues Expenses</u></b>			
Interest Income	39,113	7,467	46,580
Interest Expense	(36,714)	(9,293)	(46,007)
Grants/LCDBG	385,000	405,605	790,605
Net Pension/OPEB Revenue	37,704	6,372	44,076
Sales of Assets	1,000	-	1,000
Contributed Capital	-	-	-
Transfers In (Out)	153,255	401,000	554,255
<b>Total Non-Operating Revenues (Expenses)</b>	<u>579,358</u>	<u>811,151</u>	<u>1,390,509</u>
<b><u>Changes in Net Position</u></b>	<u>159,163</u>	<u>683,432</u>	<u>842,595</u>
<b><u>Net Position - Beginning of the Year</u></b>	<u>4,768,499</u>	<u>4,176,514</u>	<u>8,945,013</u>
<b><u>Net Position - End of the Year</u></b>	<u>\$ 4,927,662</u>	<u>\$ 4,859,946</u>	<u>\$ 9,787,608</u>

The accompanying notes are an integral part of this financial statement.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water	Sewer	Total
<b><u>Cash Flows From Operating Activities</u></b>			
Receipts from Customers	\$ 1,839,191	\$ 533,820	\$ 2,373,011
Payments to Supplies	(796,442)	(396,881)	(1,193,323)
Payments to Employers and Employee Benefits	(586,644)	(135,113)	(721,757)
Other Receipts (Payments)	(187,874)	(41,373)	(229,247)
<b>Net Cash Provided by Operating Activities</b>	<b>268,231</b>	<b>(39,547)</b>	<b>228,684</b>
<b><u>Cash Flows From Noncapital Financing Activities</u></b>			
Customer Deposits	5,055	-	5,055
Due To/From Other Funds	(55,690)	-	(55,690)
Due To/From Sewer/Water Dept	(2,762)	2,762	-
Transfer to Other Funds	153,255	401,000	554,255
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>99,858</b>	<b>403,762</b>	<b>503,620</b>
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>			
Purchase of Capital Assets	(275,716)	(402,456)	(678,172)
Sale of Assets	1,000	-	1,000
Interest Expense	(36,714)	(9,293)	(46,007)
Payment on Long-Term Debt	(42,298)	(24,329)	(66,627)
Grants	385,000	405,605	790,605
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>31,272</b>	<b>(30,473)</b>	<b>799</b>
<b><u>Cash Flows From Investing Activities</u></b>			
Interest Earned on Investments	39,113	7,467	46,580
<b><u>Net Increase (Decrease) in Cash and Cash Equivalents</u></b>	<b>438,474</b>	<b>341,209</b>	<b>779,683</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>821,644</b>	<b>102,054</b>	<b>923,698</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 1,260,118</b>	<b>\$ 443,263</b>	<b>\$ 1,703,381</b>

Continued on next page.

The accompanying notes are an integral part of this financial statement.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water	Sewer	Total
<b><u>Reconciliation of Cash and Cash</u></b>			
<b><u>Equivalents to the Statement of</u></b>			
<b><u>Net Position</u></b>			
Cash and Cash Equivalents	\$ 570,891	\$ 72,493	\$ 643,384
Restricted Cash			
Water Fund	229,230	-	229,230
Depreciation and Contingency Fund	167,245	370,636	537,881
USDA Accounts	292,641	-	292,641
Construction Checking	111	134	245
<b><u>Total Cash and Cash Equivalents</u></b>	<u>1,260,118</u>	<u>443,263</u>	<u>1,703,381</u>
<b><u>Reconciliation of Operating Income (Loss)</u></b>			
<b><u>to Net Cash Flows from Operating Activities</u></b>			
Net Operating Income (Loss)	(420,195)	(127,719)	(547,914)
Adjustments to Reconcile Net Income (Loss) to			
Net Cash Used by Operating Activities			
Depreciation	405,335	210,583	615,918
(Increase) Decrease in Accounts Receivable	(2,394)	-	(2,394)
(Increase) Decrease in Due from Other Govts	-	-	-
(Increase) Decrease in Prepaid Insurance	(14,548)	(1,937)	(16,485)
Increase (Decrease) in Accounts Payable	293,586	(121,134)	172,452
Increase (Decrease) in Retainage Payable	-	-	-
Increase (Decrease) in Accrued Liabilities	6,447	660	7,107
<b>Net Cash Provided (Used) by Operating Accounts</b>	<u>\$ 268,231</u>	<u>\$ (39,547)</u>	<u>\$ 228,684</u>

The accompanying notes are an integral part of this financial statement.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Introduction**

The Town of Farmerville, Louisiana (hereafter referred to as the Town) is governed by a “Special Legislative Charter” that was approved by the Louisiana State Legislature in 1842, which was amended in 1870. The Town must have an elected Mayor, five Aldermen/Alderwomen and a Marshal. See Schedule G for a detail of compensation.

The Town’s major operations include water and sewer, public safety, fire protection, recreation and parks, and general administrative services.

The Town is located in Union Parish surrounded by Darbonne Lake recreation area. The Town’s major industry is timber and poultry, which included a poultry processing plant. The Town’s population was 3,298 in 2023.

**Note 1 - Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The accounting and reporting policies of the Town of Farmerville, Louisiana conform to generally accepted accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Government Units (Revised). The following is a summary of certain significant accounting policies.

GASB Statement No 14, The Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary government, since it is a general-purpose local 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. 14, fiscally independent means that the municipality may, without 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. The municipality has oversight of other component units that are either blended into the municipalities’ basic financial statements or discretely presented in a separate column in the government-wide financial statements.

**Blended Component Units** – The Town of Farmerville did not have any blended component units.

**Discretely Presented Component Units** - The Town of Farmerville did not have any Discretely Presented Components Units.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**B. Financial Reporting Entity**

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Town includes all funds which are controlled by or dependent on the Town which was determined on the basis of oversight responsibility, including accountability for fiscal and budget matters, designation of management or governing authority and authority to issue debt. Certain units of local government over which the Town exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected officials, and other municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Town. The Town has no component units.

**C. Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred in the period in which the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In accordance with Government Accounting Standards Board Statement of Activities for the Town as a whole. These statements include the primary government, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-Wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Part of the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program Revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and grants and contributions that are restricted to meetings, the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 1 - Summary of Significant Accounting Policies** (continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Policies specific to government-wide financial statements are as follows:

**D. Eliminating Internal Activity**

Interfund receivables and payables are eliminated in the Statements of Net Position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function are eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they are allocated.

**E. Application of FASB Statements and Interpretations**

Reporting on governmental-type and business-type activities are based on FASB Statements and the Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

**F. Capitalized Assets**

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Amounts less than \$500 are not capitalized unless they are considered major by the mayor or council. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Position. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted assets.

Under the requirements of GASB Statement No. 34, the Town is considered a Phase 3 government as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The Town has opted not to retroactively report these type of capital assets.

**G. Program Revenues**

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Town. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for specific use.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**H. Indirect Expenses**

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Town has chosen not to do so.

**I. Operating Revenues**

Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Town's operation of providing water and sewer services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

**J. Restricted Net Assets**

When an expenditure is incurred for purposes 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 its commitments or assignments actions.

**K. Pensions**

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to deductions from the fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**L. Deferred Outflows/Inflows of Resources**

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**M. Fund Accounting**

The Town uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the Town are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**N. Governmental Funds**

Governmental funds account for all or most of the Town's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

**1. Major Governmental Funds**

General Fund – is the general operating fund of the Town and accounts for all financial resources, except those required to be accounted for in other funds. Starting, as of July 1, 2012, the police department and fire department were transferred to separate accounts. The police department and the fire department have funds restricted to police and fire department expenditures. A one half percent sales tax was passed for the police department.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**a. Special Revenue Funds – Sales Tax**

The Town of Farmerville Sales Tax Department – The Citizens of the Town of Farmerville approved a 1% sales and use tax. Proceeds of the tax have been pledged and dedicated to the retirement of Sales Tax Bonds dated May 1, 1985, which has been retired. The excess funds can be used for streets and sanitation expenditures.

**b. Special Revenue Funds – Recreational Sales Tax**

On October 20, 2001 and additional ½ of 1% sales and use tax was approved. This tax was approved for construction of a recreation center and street improvements. Bonds were sold in the amount of \$2,900,000 for construction of the recreation center and improvements of the streets. The street construction was completed during 2002. The recreation center was completed at June 30, 2004. The 2002 bonds were paid off from a 2012 bond issue. The sales taxes approved in 2001 are to be used for retirement of the 2012 bonds, recreation center costs, and street improvements.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

c. Special Revenue Fund - ARPA

The ARPA fund accounts for grant funding from the Coronavirus State Local Fiscal Recovery Fund authorized by American Rescue Plan Act of 2021.

2. Debt Service Funds – These funds are used to account for the accumulation of resources for, and the payments of, general long-term debt principal, interest and related costs.
3. Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**O. Proprietary Funds**

Proprietary Funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary Funds differ from Governmental Funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Proprietary Funds include;

1. Enterprise Funds – Account for operations (a) 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 had 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's Enterprise Fund includes services for water and sewer.
  - a. The Town of Farmerville Water Department – The Town of Farmerville rates for user charges are approved by the Town Council and the legal liability for the general obligations portion of the water authority's debt remain with the Town of Farmerville.
  - b. The Town of Farmerville Sewer Department – The Sewer charges are approved by the Town Council but are regulated by the EPA.

**P. Basis of Accounting/Measurement Focus**

The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**P. Basis of Accounting/Measurement Focus**

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the Statement of Net Position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus, revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end or due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses, when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt is reported as other financing sources and repayment of long-term debt is reported as an expenditure.

**Q. Budgets and Budgetary Accounting**

The Town adopts an annual budget for the General Fund, Special Revenue Funds, and Enterprise Fund. It is prepared in accordance with the basis of accounting utilized by that fund. Any revisions that alter the total expenditures must be approved by the council. Budgeted amounts shown are as originally adopted or as amended by the Board. Budget amendments are passed in June each year. The police and fire departments are part of the general fund, separate budgets are prepared because of restricted revenues.

**R. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest bearing demand deposits and certificates of deposits. Cash equivalents include amounts in time deposits and those investments with original

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**R. Cash and Cash Equivalents**

maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities, plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. The State of Louisiana banking regulations require the FDIC to ensure \$250,000 of checking and savings for each municipality.

**S. Investments**

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. All investments of the Town are certificates of deposits held at Marion State Bank and Origin Bank and the fair value is determined by the face value of the certificate.

**T. Bad Debts**

Uncollectible amounts for ad valorem taxes are generally not significant. The Town records ad valorem taxes on a cash basis, so no receivables are recorded until year end. Any ad valorem taxes collected within 60 days of year end are considered receivable, so bad debts are not recorded and are considered immaterial. For customers' utility receivables, the allowance method is used to account for uncollectible amounts. Under this method, an allowance account is set up for what is deemed to be uncollectible.

**U. Inventories**

Inventories are not considered material and are therefore not recorded. The Town purchases supplies as needed and does not maintain inventory quantities on hand.

**V. Short-Term Interfund Receivable/Payables**

During the course of operation, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements' balance sheet. In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize their "grossing up" effect on assets and liabilities within the governmental activities column.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**W. Restricted Assets**

Certain proceeds of the governmental funds and the enterprise funds are classified as restricted assets on the balance sheet because their use is limited. The Town recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted assets are used.

**X. Prepaid Items**

The Town purchases commercial insurance to cover their risk. Insurance companies usually require the premiums to be paid in advance of the coverage periods.

**Y. Capital Assets**

The Town's assets are recorded as historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Equipment and Furniture	3 – 10 Years
Utility Plant/Sewer Collection System	5 – 40 Years
Vehicles	5 – 10 Years
Buildings	39 – 40 Years
Infrastructure	40 - 60 Years

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the general purpose financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the Town has elected to not report its governmental infrastructure retroactively. The infrastructure currently being depreciated over a period of 40 years is the water and sewer system that is reported in the business-type activities of the Town. From this point forward, the Town will use the basic approach to infrastructure reporting for its governmental activities.

**Z. Compensated Absences**

The Town's maximum vacation pay carry forward each year is 40 hours. Sick pay is limited to 480 hours carryforward. Any vacation pay is paid at the termination of employment, while sick time is not guaranteed. Unpaid vacation time has been recorded as an accrued payable, while sick time has not.

**AA. Long-Term Obligation**

In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**AA. Long-Term Obligation (continued)**

of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. See Note #6 for detail.

**BB. Fund Equity**

GASB Statement Number 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: Restricted, Committed, Assigned and Unassigned.

- a. Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributions, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- b. Committed Fund Balance – These amounts can only be used for specific purposes determined by formal resolutions or ordinances of the Town Council – the government's highest level of decision making authority. These committed amounts cannot be used for any other purpose unless the Town Aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- c. Assigned Fund Balance – This classification reflects the amounts whose intent is to be used for specific purposes, but are neither restricted nor committed. The Town Council and Management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.
- d. Unassigned Fund Balance – This fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**BB. Fund Equity (continued)**

When both restricted and unrestricted resources are available for use, it is the Town's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

**CC. Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

**DD. Major – Non-Major Funds**

The Town's Major Funds are: General Fund, Sales Tax, Recreation Sales Tax, ARPA Fund and Business Type Funds – Water and Sewer.

**Note 2 - Cash and Investments**

*Custodial Credit Risk – Deposits*

The custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. 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 bank has failed to pay deposited funds upon demand. Accordingly, the Town did have custodial risk related to its deposits at June 30, 2024 as not all funds were covered as of June 30, 2024.

At June 30, 2024, the Town has cash and cash equivalents (book balances net of overdrafts) in the amount of \$6,771,907.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the 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.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 2 - Cash and Investments (continued)**

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable by both parties. Cash and cash equivalents (bank balances) at June 30, 2024, are secured as follows:

Bank Balances	\$ <u>7,062,856</u>
Federal Deposits Insurance	\$ 872,618
Pledged Securities (Uncollateralized)	<u>7,929,919</u>
<b><u>TOTAL</u></b>	<b><u>\$ 8,802,537</u></b>
Governmental Funds Cash	\$ 5,068,526
Enterprise Funds Cash	<u>1,703,381</u>
<b><u>TOTAL BOOK BALANCES BY FUND TYPE</u></b>	<b><u>\$ 6,771,907</u></b>

The FDIC issued an updated description of the explanation of savings deposits as follows: (The insurance coverage of public unit accounts depends upon the type of deposit and location of the insured depository institution. All time and savings deposits owned by a public unit and held by the same official custodian in an insured depository institution within the state in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by the public unit and held by the same official custodian in an insured depository institution within the state in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term "savings deposits" includes NOW accounts, money market deposit accounts, and other interest-bearing checking accounts.)

Even though the pledged securities are considered uncollateralized (Category 3) under the provision of GASB Statement 3, R.S.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 municipality that the fiscal agent has failed to pay deposited funds upon demand.

**Investments**

*Custodial Credit Risk – Investments*

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town had no custodial credit risk related to its investments on June 30, 2024.

Under state law, the Town may invest funds in obligations of the United States, in federally insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At June 30, 2024, the Town had no investments that were not considered cash and cash equivalents.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 2 - Cash and Investments (continued)**

*Interest Rate Risk*

In accordance with its investment policy, the Town manages its exposure to declines in fair market values by limiting investment portfolio to “money market investments”, which are defined as creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

*Credit Risk*

The Town’s investment policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies.

*Concentration of Credit Risk*

The Town’s investment policy limits the Town’s investment instruments to: 1) certificates of deposit; 2) certain direct obligations of the U.S. Government; 3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; and 4) the Louisiana Asset Management Pool.

**Note 3 - Receivables/Allowance for Doubtful Accounts**

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. Property taxes, franchise taxes, licenses, and interest associated within the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Receivables at June 30, 2024, consist of the following:

	Governmental <u>Funds</u>	Proprietary <u>Funds</u>	<u>Total</u>
Accounts Receivable	\$ -	\$ 274,452	\$ 274,452

**Note 4 - Due From Other Governments**

The amounts due from other governments at June 30, 2024, are as follows:

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**Note 4 - Due From Other Governments** (continued)

Union Parish Sales and Use Tax Commission	\$ 260,938
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**Note 5 - Capital Assets**

Capital asset activity for the year ended June 30, 2024, is as follows:

	June 30, 2023 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2024 <u>Balance</u>
Government Activities:				
Non-Depreciable Assets:				
Land	\$ 574,086	\$ 299,420	\$ -	\$ 873,506
Construction in Process	<u>3,114,073</u>	<u>-</u>	<u>(3,114,073)</u>	<u>-</u>
Total Non-Depreciable Assets	3,688,159	299,420	(3,114,073)	873,506
Depreciable Assets:				
Buildings	2,830,801	45,228	-	2,876,029
Improvements	1,434,899	356,565	-	1,791,464
Machinery and Equipment	6,085,201	373,065	( 85,552)	6,372,714
Infrastructure	<u>6,752,132</u>	<u>3,608,346</u>	<u>-</u>	<u>10,360,478</u>
Total at Historical Cost	\$17,103,033	\$ 4,383,204	\$ (85,552)	\$ 21,400,685
Less Accumulated Depreciation for:				
Buildings	\$( 978,980)	\$( 60,970)	\$ -	\$( 1,039,950)
Improvements	( 686,748)	( 35,299)	-	( 722,047)
Machinery and Equipment	( 4,813,479)	( 340,150)	73,962	( 5,079,667)
Infrastructure	<u>( 2,088,922)</u>	<u>( 205,373)</u>	<u>-</u>	<u>( 2,294,295)</u>
Total Accumulated Depreciation	<u>( 8,568,129)</u>	<u>( 641,792)</u>	<u>73,962</u>	<u>( 9,135,959)</u>
<u>Government Activities Capital Assets, Net</u>	<u>\$ 12,223,063</u>	<u>\$ 4,040,832</u>	<u>\$ (3,125,663)</u>	<u>\$ 13,138,232</u>
Business-Type Activities:				
Non-Depreciable Assets:				
Land	\$ 25,752	\$ -	\$ -	\$ 25,752
Construction in Process	<u>234,964</u>	<u>295,811</u>	<u>(234,964)</u>	<u>295,811</u>
Total Non-Depreciable Assets	260,716	295,811	(234,964)	321,563
Depreciable Assets:				
Sewer Department	8,965,249	340,984	-	9,306,233
Water Department	<u>12,416,361</u>	<u>290,719</u>	<u>( 207,481)</u>	<u>12,499,599</u>
Totals at Historical Cost	21,381,610	631,703	( 207,481)	21,805,832

**TOWN OF FARMERVILLE**  
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**Note 5 - Capital Assets (continued)**

Less Accumulated				
Depreciation for:				
Sewer Department	( 4,753,019)	( 210,583)	-	( 4,963,602)
Water Department	( 5,803,516)	( 405,335)	192,479	( 6,016,372)
Total Accumulated				
Depreciation	( 10,556,535)	( 615,918)	192,479	( 10,979,974)

**Business-Type Activities**

Capital Assets, Net	\$11,085,791	\$ 311,596	\$(249,966)	\$ 11,147,421
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Depreciation expense for the year ended June 30, 2024, was charged to functions of the Town as follows:

Government Activities:	
General Government	\$ 165,617
Public Safety	57,292
Fire	154,354
Garbage	13,455
Recreation Center	53,343
Streets	197,731
Total Depreciation Expense -	
Governmental Activities	\$ 641,791
Business-Type Activities:	
Water	210,583
Sewer	405,335
Total Depreciation Expense -	
Business-Type Activities	\$ 615,918

**Note 6 - Compensation**

See page 72 for detail schedule of compensation paid to elected officials. On page 71 is a schedule of compensation benefits and other payments to the Mayor. The Police Chief is also the elected Marshal. In that capacity he receives \$700 a month. He also receives a salary for his position as Chief of Police.

**Note 7 - Employee Retirement**

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA**

Substantially all town employees, except firemen and policemen are members of the Municipal Employees' Retirement System of Louisiana (MERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The MERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Each of these are separated by first employment date of which those before January 1, 2013 are in Plan A and those after in Plan A Tier 2. All members participate in Plan A or Plan A Tier 2 based on those dates.

**TOWN OF FARMERVILLE**  
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**Note 7 - Employee Retirement (continued)**

All permanent employees working at least 35 hours per week and elected town officials are required to participate in the system. Under the MERS Plan A, a member who retires at or after age 60 with at least 10 years of creditable service or at any age with 25 years of creditable service is entitled to a full retirement benefit, payable monthly for life, equal to 3 percent of the member's final compensation multiplied by his years of creditable service. With MERS Plan A Tier 2, a member who retires at or after age 67 with at least 7 years of creditable service, at or after age 62 with at least 10 years of creditable service or at 55 age with 30 years of creditable service are entitled to the same benefits as noted with Plan A.

Final compensation is a member's average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted. A member who withdraws from active service prior to retirement eligibility is entitled to receive benefits beginning on the normal retirement date, assuming completion of the required years of creditable service and no prior refund of contributions. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy – State statute requires covered employees to contribute 9.0 percent of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current actuarially determined rate is 29.5 percent of annual covered payroll. The Town's contributions to the System under Plan A for the years ending June 30, 2024, 2023 and 2022 were \$364,898, \$332,962 and \$303,579, respectively, equal to the required contributions for each year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Blvd., Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

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

At June 30, 2024, the Town reported a liability of \$2,052,454 for its proportionate share of the net pension liability for the MERS plan. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the MERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Town's proportion was 0.5616%, which was an increase of 0.0247% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized net pension expense of \$349,013 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$66,804.

At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 7 - Employee Retirement (continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,377	\$ (18,769)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	235,849	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	115,877	-
Employer contributions subsequent to the measurement date	364,898	-
Total	<u>\$ 718,001</u>	<u>\$ (18,769)</u>

The Town reported a total of \$718,001 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2023, which will be recognized as a reduction in net pension liability in the year ended June 30, 2024.

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

Year	MERS
2024	\$ 137,334
2025	40,916
2026	171,099
2027	(15,013)
	<u>\$ 334,336</u>

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023, is as follows:

**TOWN OF FARMERVILLE**  
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**Note 7 - Employee Retirement (continued)**

<b>Valuation Date</b>	June 30, 2023
<b>Actuarial Cost Method</b>	Entry Age Normal

**Actuarial Assumptions:**

<b>Expected Remaining Service Lives</b>	3 years
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**Investment Rate of Return/**

<b>Inflation Rate</b>	6.85%, net of investment expense; 2.50% inflation
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<b>Projected salary increases</b>	4.5 to 6.4%
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<b>Employee mortality</b>	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales
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<b>Disabled lives mortality</b>	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP 2018 scale
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<b>Annuitant and beneficiary mortality</b>	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP 2018 scales
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**Discount Rate**

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023, are summarized in the following table:

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**Note 7 - Employee Retirement (continued)**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Public Equity	56%	2.44%
Public fixed income	29%	1.26%
Alternative Investments	15%	0.65%
Total	100%	4.35%
Inflation		2.50%
Expected Arithmetic Nominal Return		6.85%

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2023 is 3 years.

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

The following table presents the Town's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Town's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

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**Note 7 - Employee Retirement (continued)**

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Rates	5.85%	6.85%	7.85%
TOF Share - NPL	\$ 2,845,466	\$2,052,454	\$1,382,597

**MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM**

All full-time police officers engaged in law enforcement are required to participate in the Municipal Police Employees' Retirement System (MPERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. Members who started prior to January 1, 2013, can retire at or after age 55 with 12 years of creditable service, at or after age 50 with 20 years of creditable service, or at any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of the member's average final compensation multiplied by his years of creditable service, not to exceed 100 percent of his average final compensation.

Average final compensation is the average annual earned compensation of a member for any period of 36 successive or joined months of service that produces the highest average.

Members who started on or after January 1, 2013, retire under one of two plans, Hazardous Duty or Non Hazardous Duty. Under Hazardous Duty, at or after age 55 with 12 years of creditable service, or at any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of the member's average final compensation, not to exceed 100 percent of his average final compensation. Under Non Hazardous Duty, at or after age 60 with 10 years of creditable service, 25 years of credible service at age 55, or at any age with 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 1/2 percent of the member's average final compensation, not to exceed 100 percent of his average final compensation.

For these members, average final compensation is the average annual earned compensation of a member for any period of 60 successive or joined months of service that produces the highest average.

The system also provides death and disability benefits. Benefits are established by state statute.

**Funding Policy** - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The Town is required to contribute 34.0 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Town's contributions to the System for the years ending June 30, 2024, 2023, and 2022, were \$56,214, \$32,197 and \$18,029 respectively, equal to the required contributions for the year.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 7 - Employee Retirement (continued)**

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Baton Rouge, Louisiana 70809-7017, or by calling (225) 929-7411.

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

At June 30, 2024, the Town reported a liability of \$321,323 for its proportionate share of the net pension liability for the MPERS plan. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the MPERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Town's proportion was .0304%, which was an increase of .0100% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of \$75,303 net of employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$(25,233).

At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,634	\$ (135)
Changes of assumptions	5,362	-
Net difference between projected and actual earnings on pension plan investments	34,689	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	83,343	(8,925)
Employer contributions subsequent to the measurement date	56,214	-
Total	<u>\$ 202,242</u>	<u>\$ (9,060)</u>

The Town reported a total of \$56,214 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2023, which will be recognized as a reduction in net pension liability in the year ended June 30, 2024.

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

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**Note 7 - Employee Retirement (continued)**

Year	MPERS
2024	\$ 43,166
2025	40,460
2026	55,068
2027	(1,726)
	<u>\$136,968</u>

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023, is as follows:

<b>Valuation Date</b>	June 30, 2023
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	4 years
<b>Investment Rate of Return/Inflation Rate</b>	6.75%, net of investment expense, 2.50% inflation
<b>Projected salary increases</b>	4.70 to 12.30% based on years of service
<b>Mortality</b>	For employees, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used  For disabled lives, the Pub-2010 Public Retirement Plan Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used  For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used

**TOWN OF FARMERVILLE**  
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**Note 7 - Employee Retirement (continued)**

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014, through June 30, 2019, and the review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table which appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combines with a standard table to produce current levels of mortality.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the system's target allocation as of June 30, 2023, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Equity	52.00%	3.29%
Fixed Income	34.00%	1.12%
Alternative Investments	14.00%	0.95%
Other	0.00%	0.00%
Total	100%	5.36%
Inflation		2.54%
Expected Arithmetic Nominal Return		7.90%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the Town's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Town's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 7 - Employee Retirement (continued)**

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MPERS			
Rates	5.75%	6.75%	7.75%
TOF Share- NPL	\$ 452,127	\$ 321,323	\$ 212,054

**FIREFIGHTERS' RETIREMENT SYSTEM**

All full-time firefighters for the Town who are engaged in fire protection are eligible to participate in the Firefighters' Retirement System (FRS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

A member who has completed 20 years of creditable service and has reached the age of 50, with at least 12 years of service who has reached the age of 55, as well as anyone with 25 years of service at any age are eligible for retirement. Upon retirement, the benefit amount is 3-1/3 percent of average final compensation multiplied by years of creditable service, not to exceed his average final compensation. Average final compensation is the member's average annual earned compensation for any period of 36 successive or joined months of service that produce the highest average. The system also provides death and disability benefits. Benefits are established by state statute.

**Funding Policy** - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The Town is required to contribute 33.25 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contribution to the System for the years ending June 30, 2024, 2023 and 2022 were \$35,718, \$55,513, and \$45,576, respectively, equal to the required contributions for the year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809-1752, or by calling (225) 925-4060.

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

At June 30, 2024, the Town reported a liability of \$405,928 for its proportionate share of the net pension liability for the FRS plan. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the FRS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Town's proportion was .0622%, which was an increase of 0.0098% from its proportion measured as of June 30, 2022.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 7 - Employee Retirement** (continued)

For the year ended June 30, 2024, the Town recognized pension expense of \$96,757 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$16,398.

At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,673	\$(13,907)
Changes of assumptions	24,562	-
Net difference between projected and actual earnings on pension plan investments	55,019	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	71,632	(5,032)
Employer contributions subsequent to the measurement date	35,718	-
Total	<u>\$ 199,604</u>	<u>\$(18,939)</u>

The Town reported a total of \$35,718 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2023, which will be recognized as a reduction in net pension liability in the year ended June 30, 2024.

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

Year	FRS
2024	\$ 36,514
2025	25,725
2026	58,002
2027	7,032
2028 and thereafter	17,674
	<u>\$ 144,947</u>

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023, is as follows:

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**Note 7 - Employee Retirement (continued)**

<b>Valuation Date</b>	June 30, 2023
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	7 years
<b>Investment Rate of Return</b>	6.9%, net of investment expense
<b>Inflation Rate</b>	2.50 per annum
<b>Projected Salary Increases</b>	5.2-14.1% per year based on years of service
<b>Mortality</b>	For active members, mortality was set equal to the PUB-2010 Public retirement Plans Mortality Table for Safety Below-Median Employees  For annuitants and beneficiaries, mortality was set equal to the PUB-2010 Public retirement Plans Mortality Table for Safety Below-Median Healthy Retirees  For disabled retirees, mortality was set equal to the PUB-2010 Public retirement Plans Mortality Table for Safety Disabled Retirees  In all cases, the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.
<b>Cost of Living Adjustments</b>	Only those previously granted.

The estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation as of January 2023 and the Curran Actuarial Consulting average study for 2023. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns and the correlation of the returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.5% was used in this process for the fiscal year ended June 30, 2023.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023, are summarized in the following table:

<b>Asset Class</b>	<b>Target Asset Allocation</b>
Equity	56.00%
Fixed Income	26.00%
Alternative Investments	18.00%
Multi-Asset Strategies	0.00%
Total	100.00%

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 7 - Employee Retirement (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the Town's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Town's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

FRS	1.0% Decrease	Current Discount Rate	1.0% Increase
Rates	5.90%	6.90%	7.90%
TOF Share- NPL	\$ 626,225	\$ 405,928	\$ 222,191

**Note 8 - Long-Term Debt**

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
Certificates of Indebtedness,					
2010 Revenue Bonds	\$ 235,000	\$ -	\$ 30,000	\$ 205,000	\$ 30,000
2016 Revenue Bonds	316,000	-	41,000	275,000	43,000
2022 Revenue Bonds	3,985,000	-	210,000	3,775,000	215,000
USDA	64,080	-	21,863	42,217	22,782
<u>Total Governmental Bonds</u>					
<u>And Notes Payable</u>	4,600,080	-	302,863	4,297,217	310,782
Other Liabilities:					
Accrued Vacation, Sick					
And Compensatory Time	75,012	57,977	-	132,989	132,989
Total Other Liabilities	75,012	57,977	-	132,989	132,989
<u>Total Governmental Activities</u>					
<u>Long-Term Debt</u>	\$ 4,675,092	\$ 57,977	\$ 302,863	\$ 4,430,206	\$ 443,771

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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

Business-Type Activities:

Bonds and Notes Payable:

Certificates of Indebtedness,

Sewer Revenue Bonds	\$ 190,000	\$ -	\$ 24,329	\$ 165,671	\$ 25,000
USDA Loan	1,957,457	-	42,298	1,915,159	43,736

Other Liabilities:

Accrued Vacation, Sick  
And Compensatory Time

Business-Type Activities	24,892	6,477	-	31,369	31,369
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Total Business-Type Activities

<u>Long-Term Debt</u>	<u>\$2,172,349</u>	<u>\$ 6,477</u>	<u>\$ 66,627</u>	<u>\$ 2,112,199</u>	<u>\$ 100,105</u>
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Principal and interest requirements to retire the Town's bonds and obligations are as follows for their governmental funds:

Year Ended June 30,	<u>2010 Revenue Bond</u>		<u>2022 Revenue Bond</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 30,000	\$ 10,148	\$ 215,000	\$ 137,445
2026	30,000	8,450	220,000	131,461
2027	35,000	6,503	225,000	124,951
2028	35,000	3,978	235,000	117,345
2029	35,000	2,250	240,000	108,736
2030-2034	40,000	476	1,350,000	396,518
2035-2039	-	-	1,290,000	108,089
Total	<u>\$ 205,000</u>	<u>\$ 31,805</u>	<u>\$ 3,775,000</u>	<u>\$ 1,124,545</u>

Year Ended June 30,	<u>2016 Revenue Bonds</u>		<u>USDA</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 43,000	\$ 9,762	\$ 22,782	\$ 2,233
2026	46,000	8,236	19,435	1,314
2027	49,000	6,602	-	-
2028	52,000	4,864	-	-
2029	55,000	2,580	-	-
2030-2034	30,000	1,503	-	-
2035-2039	-	-	-	-
Total	<u>\$ 275,000</u>	<u>\$ 33,547</u>	<u>\$ 42,217</u>	<u>\$3,547</u>

Principal and interest requirements to retire the Town's bonds and obligations are as follows for their business type funds:

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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

Year Ended June 30,	Sewer Revenue Bonds	
	Principal	Interest
2025	\$ 25,000	\$ 8,168
2026	25,000	6,765
2027	25,000	5,200
2028	30,000	3,465
2029	30,000	1,800
2030-2034	30,671	645
2035-2039	-	-
<u>Total</u>	<u>\$ 165,671</u>	<u>\$ 26,043</u>

Year Ended June 30,	USDA	
	Principal	Interest
2025	\$ 43,736	\$ 35,536
2026	44,563	34,709
2027	45,406	33,866
2028	46,264	33,008
2029	47,139	32,133
2030-2034	249,411	146,950
2035-2039	273,903	122,457
2040-2044	300,803	95,557
2045-2049	330,341	66,019
2050-2054	362,784	33,576
2055-2059	<u>190,809</u>	<u>3,683</u>
<u>Total</u>	<u>\$ 1,915,159</u>	<u>\$ 637,494</u>

**Note 9 - Related Party Transactions**

The Town of Farmerville did not have any related party transactions during the fiscal year ended June 30, 2024.

**Note 10 - On-Behalf Payments**

The Town's employees for the police and fire department receive supplement pay from the State of Louisiana. In accordance with GASB Statement 24, the Town has recorded revenues and expenditures for these payments in the General Fund.

**Note 11 - Economic Dependency**

A large portion of the increase/decrease in water and garbage revenues are due to the agreement with the Poultry Processing Plant.

**Note 12 - Litigation**

Risk Management handles all defense for the Town. The Town has a couple of pending lawsuits at June 30, 2024. The Town believes the outcome of these lawsuits will not have a material effect on its financial position at June 30, 2024.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 13 - Risk Management**

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and worker's compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

**Note 14 - Post Employment Benefits**

The Town of Farmerville provides continuing employees benefits for its employees who retired with the State Municipal Retirement System, the Police Retirement System and Fire Retirement System. The Town of Farmerville provides health insurance through the Louisiana Municipal Risk Management Agency, II for each employee. Family coverage is available, but not paid by the Town. The Town is also providing life insurance and dental insurance for retirees.

The Town records the cost of these benefits as expenditures on a monthly basis. For the year ended June 30, 2024, the total cost of the benefit to employee was zero. As of June 30, 2024, the Town had no retiree benefits payable. These premiums are financed on a "pay-as-you-go" basis.

The Governmental Accounting Standards Board released Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other than Pension Plans (GASB 74) and Statement No. 75 – Accounting and Financial Reports for Post-Employment Benefit Plans Other than Pension Plans (GASB 75) in June 2015. These two statements supersede GASB Statements 43 and 45, respectively, and establish uniform accounting and financial reporting standards for state and local governmental entities related to post-employment benefits other than pensions.

GASB 74 must be adopted for fiscal years beginning after June 15, 2016, and GASB 75 must be adopted for fiscal years beginning after June 15, 2017. While the previous statements allowed smaller entities the ability to have valuations every three years, the replacement standards require all entities, regardless of size to have a valuation performed every two years, with roll forward valuations performed on years between.

**Actuarial Cost Method**

Whereas GASB 43 and GASB 45 allowed for one of six different actuarial cost methods, GASB 74 and GASB 75 require the Entry Age Normal Cost Method based on a level percentage of projected salary.

**Plan Description**

The Town of Farmerville medical and dental benefits are provided and made available to employees upon actual retirement. These benefits terminate at age 65.

The employees are covered by a retirement system whose retirement eligibility provisions are as follows:

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 14 - Post Employment Benefits (continued)**

The Town is the Municipal Employees Retirement System of Louisiana. The system is composed of two distinct plans. Plan A and B with separate assets and benefit provisions. The employees were members of Plan B, which has a 30 years' service and retirement of any age after 30 years. The Town changed to Plan A in July 2002, which has 25 years of service or 10 years at age 60. The Fire and Police Retirement has 25 years of service at any age, 20 years at age 50 and 12 years at age 55. The employees do not contribute to the post-employment benefits costs.

*Employees covered by benefit terms* – At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>34</u>
 TOTAL	 <u><u>34</u></u>

**Total OPEB Liability**

The Town's total OPEB liability of \$409,148 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.5%, including inflation
Prior Discount rate	2.16%
Discount rate	4.13%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 4.5% annually for medical, 3% for dental
Mortality	RPH-2014 Total Table with Projection MP-2021

The discount rate was based on the average of the S & P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2024, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009, to June 30, 2024.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 14 - Post Employment Benefits (continued)**

**Changes in the Total OPEB Liability**

Balance at June 30, 2023	\$ 362,635
Changes for the year:	
Service cost	30,285
Interest	16,228
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments and net transfers	-
Net changes	46,513
Balance at June 30, 2024	\$ 409,148

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13%) or 1-percentage-point higher (5.13%) than the current discount rate:

	<b>1.0% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1.0% Increase (5.13%)</b>
Total OPEB liability	\$ 382,888	\$ 409,148	\$ 436,700

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

	<b>1.0% Decrease (3.5%)</b>	<b>Current Trend (4.5%)</b>	<b>1.0% Increase (5.5%)</b>
Total OPEB liability	\$ 366,146	\$ 409,148	\$ 460,097

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

For the year ended June 30, 2024, the Town recognized OPEB expense of \$605. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (102,250)
Changes in assumptions	9,861	(30,646)
Total	\$ 9,861	\$ (132,896)

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 14 - Post Employment Benefits (continued)**

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

<u>Years ending June 30:</u>	
2025	(45,908)
2026	(36,776)
2027	(29,891)
2028	(10,460)
2029	-

**Note 15 - Ad Valorem Taxes**

Property taxes are usually mailed out in November and are due as of January 1. Delinquent taxes are sold each year thus no allowance is set up for uncollected amounts.

The ad valorem tax millage is as follows:

	<u>Mills</u>
General Ad Valorem Tax	8.80
Fire Department	<u>7.90</u>
<u>TOTAL</u>	<u>16.70</u>

Additionally, dedicated amounts are collected for the Area Fire Protection District as well as various in lieu of tax payments.

**Note 16 - Interfund Operating Transfers In and Out**

Interfund operating transfers in and out during the year ended June 30, 2024, were as follows:

<u>Fund</u>	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
<b>Major Funds:</b>		
General Fund	\$ 492,090	\$ 7,500
Sales Tax	59,953	255,000
Recreational Sales Tax	-	15,500
ARPA Fund	-	828,298
<b>Enterprise Fund</b>		
Water	183,255	30,000
Sewer	401,000	-
<b>Non-Major Funds:</b>		
Special Revenue Funds	-	-
<u>TOTAL</u>	<u>\$ 1,136,298</u>	<u>\$ 1,136,298</u>

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 16 - Interfund Operating Transfers In and Out (continued)**

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 17 - Interfund Receivables and Payables**

Interfund balances at June 30, 2024, were as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
<b>Major Funds:</b>		
General Fund	\$ 99,293	\$ -
Sales Tax	-	-
Recreational Sales Tax	-	-
<b>Enterprise Fund</b>		
Water	-	180,924
Sewer	<u>81,631</u>	<u>-</u>
<b><u>TOTAL</u></b>	<b><u>\$ 180,924</u></b>	<b><u>\$ 180,924</u></b>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

**Note 18 - Leases**

On August 2, 2023, the Town entered into a lease agreement for the lease of building space. Payments are \$1,800 with no stated interest rate for 13 months and then go month to month afterward. At the beginning of the lease, the present value of the lease payments was recorded as a lease asset, and a corresponding lease liability was also recorded. The lease asset was recorded at \$22,492 with accumulated amortization of \$19,032 as of June 30, 2024.

Future minimum lease payments are as follows:

Year Ended	Principal	Interest
June 30, 2025	\$ 3,564	\$ 36

**Note 19 - Subsequent Events**

Subsequent events have been evaluated through January 2, 2025, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Note 20 - Fund Changes and Fund Balances**

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2024, are as follows:

<u>Classification/Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable:		
General Fund	Prepaid Items	\$ 103,850
Sales Tax	Prepaid Items	27,006
Recreation Sales Tax	Prepaid Items	10,977
Restricted:		
Sales Tax	Bond Repayment	352,445
Sales Tax	Capital Projects	844,566
Recreation Sales Tax	Bond Repayment	117,925
Recreation Sales Tax	Capital Projects	932,660
ARPA	Construction Projects	174,499
Assigned:		
Unassigned:		
General Fund		2,874,876
Sales Tax		-
Recreational Sales Tax		-
Total Fund Balances		<u>\$ 5,438,804</u>

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated (2) identify the portion of the fund balance that is not appropriate for future expenditures.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)  
BUDGETARY COMPARISON SCHEDULE

**TOWN OF FARMERVILLE, LOUISIANA**  
**FARMERVILLE, LOUISIANA**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>BUDGETARY FUND BALANCE BEGINNING OF YEAR</b>	\$ 2,844,631	\$ 2,844,631	\$ 2,844,631	\$ -
<b>Resources</b>				
Property Taxes	484,000	484,700	809,482	324,782
Sales Taxes	725,000	750,000	756,360	6,360
Franchise Taxes	240,000	250,000	252,629	2,629
Licenses and Permits	272,100	271,600	272,873	1,273
Intergovernmental	431,500	464,500	399,392	(65,108)
Charges for Services	626,700	659,500	633,736	(25,764)
Fines	68,600	60,100	65,187	5,087
Interest Income	34,500	94,500	112,411	17,911
Miscellaneous	253,000	377,800	339,529	(38,271)
Sale of Assets	-	12,700	-	(12,700)
Transfers From Other Funds	374,500	464,850	492,089	27,239
Total Resources	3,509,900	3,890,250	4,133,688	243,438
Amounts available for appropriations	6,354,531	6,734,881	6,978,319	243,438
<b>Charges to appropriations</b>				
Current				
General government	798,050	919,400	810,173	109,227
Public Safety	1,076,650	1,264,000	1,192,397	71,603
Fire Department	543,660	590,560	518,702	71,858
Sanitation Department	746,080	757,580	793,405	(35,825)
Debt Service	138,182	128,182	65,926	62,256
Capital Outlay	-	110,000	611,490	(501,490)
Transfers To Other Funds	-	-	7,500	(7,500)
Total Charges to appropriations	3,302,622	3,769,722	3,999,593	(229,871)
<b>BUDGETARY FUND BALANCE END OF YEAR</b>	<u>\$ 3,051,909</u>	<u>\$ 2,965,159</u>	<u>\$ 2,978,726</u>	<u>\$ 13,567</u>

See accompanying notes and auditor's report.

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**SPECIAL REVENUES - SALES TAX FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>REVENUES</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual Year to Date</b>	<b>Favorable (Unfavorable)</b>
Taxes				
Sales Tax	\$ 1,450,000	\$ 1,500,000	\$ 1,512,724	\$ 12,724
Interest Earned	15,000	50,000	48,388	(1,612)
State Mowing Contract	13,060	13,120	-	(13,120)
Intergovernmental	-	495,000	510,655	15,655
Miscellaneous Income	-	23,500	5,000	(18,500)
Total Revenues	<u>1,478,060</u>	<u>2,081,620</u>	<u>2,076,767</u>	<u>(4,853)</u>

**EXPENDITURES**

**GENERAL GOVERNMENT**

Salaries	80,000	90,000	90,078	(78)
Employee Benefits Expenditures				
Medicare Taxes	1,160	1,305	1,295	10
Municipal Retirement	23,600	24,400	24,419	(19)
FICA	5,000	5,580	5,537	43
Unemployment	300	300	180	120
Hospital Insurance	20,000	21,000	21,247	(247)
Dental	1,000	1,000	759	241
Miscellaneous Employee Cost	500	500	454	46
Employee Drug Test	200	200	-	200
Prison Labor Expense	2,000	1,500	-	1,500
Uniforms	1,000	1,000	683	317
Administrative Fees	30,000	30,000	-	30,000
Auditing	6,000	8,000	7,352	648
Building Maintenance	2,000	2,000	2,135	(135)
Computer	8,000	1,000	6,654	(5,654)
Insurance	12,000	16,000	(3,234)	19,234
Grant Expense	-	-	400	(400)
Capital Improvements	-	250,000	-	250,000
Shop Supplies	4,000	5,000	5,552	(552)
Office Expenditures	3,000	4,000	6,337	(2,337)
Sales Tax Collection Cost	14,500	15,000	15,605	(605)
Transfer to Sanitation Dept	188,000	225,000	225,000	-
Shop Utilities	4,000	4,500	5,765	(1,265)
TIF Payments	88,800	88,800	93,851	(5,051)
Telephone	6,000	6,000	5,850	150
Miscellaneous	-	600	848	(248)
Travel	4,000	2,500	2,514	(14)
Total General Government	<u>505,060</u>	<u>805,185</u>	<u>519,281</u>	<u>285,904</u>

**PUBLIC SAFETY**

Labor and Expenditures				
Total Public Safety	-	-	1,320	(1,320)

**STREET REPAIRS**

Salaries	210,000	241,000	243,171	(2,171)
Employee Benefit Expenditures :				
Medicare Taxes	3,050	3,050	3,482	(432)
Municipal Retirement	59,000	53,000	52,789	211
FICA Taxes	13,000	13,000	14,887	(1,887)
Unemployment Taxes	500	500	486	14
Hospital Insurance	\$ 42,000	\$ 44,000	\$ 45,244	\$ (1,244)

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**SPECIAL REVENUES - SALES TAX FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Amended Budget	Actual Year to Date	Favorable (Unfavorable)
<b>STREET REPAIRS(continued)</b>				
Dental	\$ 2,000	\$ 2,000	\$ 1,612	\$ 388
Workers Compensation Insurance	20,000	21,500	17,844	3,656
Employee Drug Testing	600	600	603	(3)
Miscellaneous Employee Expense	500	500	542	(42)
Uniforms	4,000	5,500	5,620	(120)
Clean City Expense	-	-	-	-
Insurance	25,000	27,500	36,115	(8,615)
Telephone	-	-	-	-
Capital Improvements	-	-	1,192,426	(1,192,426)
Miscellaneous	10,000	70,000	14,611	55,389
Street Asset Purchase	125,000	110,000	-	110,000
Street Improvement/Maintenance	100,000	100,000	48,310	51,690
Truck Equipment - Oil & Gas	24,000	29,000	29,470	(470)
Truck Equipment Repairs	40,000	90,000	105,168	(15,168)
Utilities	120,000	120,000	133,955	(13,955)
USDA Loan Payments	25,000	25,000	24,096	904
USDA Reserve Account	2,400	2,400	-	2,400
USDA Dep & Cont	2,400	2,400	-	2,400
Total Street Repairs	828,450	960,950	1,970,431	(1,009,481)
<b>TOTAL EXPENDITURES</b>	1,333,510	1,766,135	2,491,032	(724,897)
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	144,550	315,485	(414,265)	(729,750)
<b>OTHER FINANCING SOURCES(USES)</b>				
Proceeds form Bond Issuance	-	-	-	-
Transfer to Other Funds	-	-	(30,000)	(30,000)
Transfer from Other Funds	-	-	59,954	59,954
Total Other Financing Sources (Uses)	-	-	29,954	29,954
<b>EXCESS OF REVENUE AND OTHER SOURCES OVER(UNDER) EXPENDITURES AND OTHER (USES) BEFORE EXTRAORDINARY ITEM</b>	144,550	315,485	(384,311)	(699,796)
<b>BUDGETARY FUND BALANCES, BEGINNING</b>	1,608,328	1,608,328	1,608,328	
<b>BUDGETARY FUND BALANCES, ENDING</b>	\$ 1,752,878	\$ 1,923,813	\$ 1,224,017	

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**SPECIAL REVENUES - 2002 SALES TAX FUND - RECREATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Amended Budget	Actual Year to Date	Favorable (Unfavorable)
<b>REVENUE</b>				
Sales Taxes	\$ 670,000	\$ 750,000	\$ 756,360	\$ 6,360
Membership Dues	1,000	100	-	(100)
Building Rental	14,000	8,000	-	(8,000)
Interest	6,000	14,000	14,274	274
Miscellaneous	-	4,000	17,971	13,971
Special Programs	9,000	5,000	-	(5,000)
Total Revenues	<u>700,000</u>	<u>781,100</u>	<u>788,605</u>	<u>7,505</u>
<b>EXPENDITURES</b>				
Salaries	120,000	132,000	133,026	(1,026)
Employee Benefits Expenditures:				
Medicare Tax	1,740	1,900	1,924	(24)
Municipal Retirement	28,000	28,000	29,373	(1,373)
FICA	7,440	8,180	8,225	(45)
Unemployment	300	300	267	33
Hospital Insurance	30,000	30,000	29,059	941
Dental	1,200	1,200	1,043	157
Workers Compensation Insurance	4,500	5,000	4,790	210
Employee Drug Testing	400	400	241	159
Miscellaneous Employee Expense	1,200	1,200	1,186	14
Administrative Fees	10,000	10,000	-	10,000
Uniforms	2,000	2,000	766	1,234
Activity Expense	10,000	15,000	15,049	(49)
Advertising and Filing	1,500	1,500	1,032	468
Assets Purchasing	40,000	35,000	35,337	(337)
Auditing	6,000	6,000	6,042	(42)
Travel and Training	1,000	-	325	(325)
Ball Park Expense	5,000	8,500	8,165	335
Bond Payments	360,000	360,000	352,866	7,134
Building Repairs & Maintenance	40,000	32,000	31,918	82
Computer Expense	1,000	1,000	-	1,000
Liability Insurance	20,000	24,000	31,691	(7,691)
Miscellaneous	1,000	1,400	1,516	(116)
Office Supplies	2,000	2,000	3,793	(1,793)
Sales Tax Collection Fee	7,250	7,500	7,801	(301)
Supplies	6,000	6,000	6,645	(645)
Telephone	6,500	2,500	2,191	309
Grant Expense	-	-	-	-
Utilities	30,000	28,000	26,552	1,448
Vehicle Expense	4,000	4,000	6,658	(2,658)
Total Expenditures	<u>748,030</u>	<u>754,580</u>	<u>747,481</u>	<u>7,099</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(48,030)	26,520	41,124	14,604
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers Out	-	-	(15,500)	(15,500)
Transfers In	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(15,500)</u>	<u>(15,500)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER(UNDER) EXPENDITURES AND OTHER (USES) BEFORE EXTRA- ORDINARY ITEM</b>	<u>(48,030)</u>	<u>26,520</u>	<u>25,624</u>	<u>(896)</u>
BUDGETARY FUND BALANCES, BEGINNING	<u>835,452</u>	<u>835,452</u>	<u>1,035,938</u>	
BUDGETARY FUND BALANCES, ENDING	<u>\$ 787,422</u>	<u>\$ 861,972</u>	<u>\$ 1,061,562</u>	

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**SPECIAL REVENUES - ARPA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Amended Budget	Actual Year to Date	Favorable (Unfavorable)
<b>REVENUE</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	-	8,187	8,187
Miscellaneous	-	-	-	-
Special Programs	-	-	-	-
Total Revenues	-	-	8,187	8,187
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public Safety	-	-	-	-
Fire Department	-	-	-	-
Sanitation Department	-	-	-	-
Streets	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	8,187	8,187
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers Out	(460,000)	(660,000)	(828,298)	(168,298)
Transfers In	-	-	-	-
	(460,000)	(660,000)	(828,298)	(168,298)
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER(UNDER) EXPENDITURES AND OTHER (USES) BEFORE EXTRA- ORDINARY ITEM</b>	(460,000)	(660,000)	(820,111)	(160,111)
BUDGETARY FUND BALANCES, BEGINNING	994,610	994,610	994,610	
BUDGETARY FUND BALANCES, ENDING	\$ 534,610	\$ 334,610	\$ 174,499	

**TOWN OF FARMERVILLE, LOUISIANA**  
**NOTES TO BUDGETARY COMPARISON SCHEDULES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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

1. The Town Clerk, with input from the Mayor and all department heads, prepares the proposed budget information for the general and major special revenue funds. Once reviewed and approved by the Town Clerk and Mayor, the budgets for each fiscal year are submitted to the Town Council for approval. This is done no later than fifteen days prior to the Town Council meeting in June each year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after the publication of the call for the hearing.
4. After holding the public hearing and completion of all actions necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles, (GAAP) except as stated above. Budgeted amounts are as originally adopted or as amended by the Town Council.

Budget comparison schedules included in the accompanying financial statements include the original adopted budgets and all subsequent adopted amendments.

**TOWN OF FARMERVILLE, LOUISIANA**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 36,921	\$ 38,213	\$ 36,690	\$ 36,690	\$ 30,285
Interest	17,701	11,710	10,227	11,048	16,228
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	(124,407)	-	(110,971)	-
Changes in Assumptions	-	37,437	-	(48,944)	-
Benefit Payments	(45,795)	(17,803)	(17,803)	-	-
<b>Net Change in Total OPEB Liability</b>	<u>8,827</u>	<u>(54,850)</u>	<u>29,114</u>	<u>(112,177)</u>	<u>46,513</u>
<b>Total OPEB liability - beginning</b>	<u>491,721</u>	<u>500,548</u>	<u>445,698</u>	<u>474,812</u>	<u>362,635</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 500,548</u></u>	<u><u>\$ 445,698</u></u>	<u><u>\$ 474,812</u></u>	<u><u>\$ 362,635</u></u>	<u><u>\$ 409,148</u></u>
Covered Employee Payroll	\$ 1,227,888	\$ 1,065,022	\$ 1,065,022	\$ 1,449,595	\$ 1,449,595
Net OPEB liability as a percentage of covered employee payroll	40.76%	41.85%	44.58%	25.02%	28.22%
<b>Notes to Schedule:</b>					
<i>Benefit Changes:</i>	None	None	None	None	None
<i>Changes in Assumption :</i>					
Discount Rate:	2.21%	2.16%	2.16%	4.13%	4.13%
Mortality:	RP-2000	RP-2014	RP-2014	RP-2014	RP-2014
Trend:	5.50%	Variable	Variable	Variable	Variable

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

See independent auditor's report and notes to financial statements.

**TOWN OF FARMERVILLE, LOUISIANA**  
**FARMERVILLE, LOUISIANA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2024**

MERS					
Year Ending June 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0000%	-	-	0.00%	0.00%
2017	0.5578%	2,286,335	993,438	230.14%	66.18%
2018	0.5632%	2,355,919	1,022,730	230.36%	62.11%
2019	0.5780%	2,393,113	1,060,747	225.61%	63.49%
2020	0.5293%	2,211,623	979,773	225.73%	65.60%
2021	0.5022%	2,171,047	953,912	227.59%	64.68%
2022	0.4858%	1,351,366	1,029,083	131.32%	77.82%
2023	0.5369%	2,230,062	1,128,686	197.58%	67.87%
2024	0.5616%	2,052,454	1,236,941	165.93%	72.46%

MPERS					
Year Ending June 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0226%	176,922	60,410	292.87%	75.10%
2017	0.0224%	209,604	62,390	335.96%	70.73%
2018	0.0215%	187,949	64,025	293.56%	66.04%
2019	0.0231%	195,137	68,003	286.95%	70.08%
2020	0.0175%	158,339	53,016	298.66%	71.89%
2021	0.0188%	173,349	39,082	443.55%	71.01%
2022	0.0146%	77,607	60,602	128.06%	84.09%
2023	0.0204%	208,207	103,030	202.08%	70.80%
2024	0.0304%	321,323	165,700	193.92%	71.30%

*This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.*

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

See independent auditor's report and notes to financial statements.

**TOWN OF FARMERVILLE, LOUISIANA**  
**FARMERVILLE, LOUISIANA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (cont.)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

FRS					
Year Ending June 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0004%	215,399	84,817	253.96%	76.02%
2017	0.0405%	265,103	91,589	289.45%	72.45%
2018	0.0341%	214,503	87,414	245.39%	68.16%
2019	0.0375%	227,742	133,457	170.65%	73.55%
2020	0.0527%	329,846	127,309	259.09%	74.76%
2021	0.0506%	350,896	128,453	273.17%	73.96%
2022	0.0512%	181,484	135,040	134.39%	86.78%
2023	0.0524%	369,593	166,957	221.37%	74.68%
2024	0.0622%	405,928	107,423	377.88%	77.69%

*This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.*

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

See independent auditor's report and notes to financial statements.

**TOWN OF FARMERVILLE, LOUISIANA**  
**FARMERVILLE, LOUISIANA**  
**SCHEDULE OF THE EMPLOYER'S PENSION CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

MERS					
Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as % of Covered Employee Payroll
2016	197,946	197,946	-	1,002,258	19.75%
2017	196,800	196,800	-	993,438	19.81%
2018	232,671	232,671	-	1,022,730	22.75%
2019	261,156	261,156	-	1,060,747	24.62%
2020	254,741	254,741	-	979,773	26.00%
2021	281,404	281,404	-	953,912	29.50%
2022	303,579	303,579	-	1,029,083	29.50%
2023	332,962	332,962	-	1,128,686	29.50%
2024	364,898	364,898	-	1,236,941	29.50%

MPERS					
Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as % of Covered Employee Payroll
2016	19,029	19,029	-	60,410	31.50%
2017	18,480	18,480	-	62,390	29.62%
2018	20,405	20,405	-	64,025	31.87%
2019	20,946	20,946	-	68,003	30.80%
2020	17,559	17,559	-	53,016	33.12%
2021	13,491	13,491	-	39,082	34.52%
2022	18,029	18,029	-	60,602	29.75%
2023	32,197	32,197	-	103,030	31.25%
2024	56,338	56,214	124	165,700	33.93%

*This schedule is to be build prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.*

***For reference only:***

<sup>1</sup> *Employer contribution rate multiplied by employer's covered employee payroll*

<sup>2</sup> *Actual employer contributions remitted to the respective pension funds*

<sup>3</sup> *Employer's covered employee payroll amount for the fiscal year ended.*

**TOWN OF FARMERVILLE, LOUISIANA**  
**FARMERVILLE, LOUISIANA**  
**SCHEDULE OF THE EMPLOYER'S PENSION CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

FRS					
Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency(Excess)	Employer's Covered Employee Payroll	Contributions as % of Covered Employee Payroll
2016	24,809	24,809	-	84,817	29.25%
2017	24,903	24,903	-	91,589	27.19%
2018	22,072	22,072	-	87,414	25.25%
2019	24,980	24,980	-	133,457	18.72%
2020	33,737	33,737	-	127,309	26.50%
2021	41,426	41,426	-	128,453	32.25%
2022	45,576	45,576	-	135,040	33.75%
2023	55,513	55,513	-	166,957	33.25%
2024	35,718	35,718	-	107,423	33.25%

*This schedule is to be build prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.*

***For reference only:***

<sup>1</sup> *Employer contribution rate multiplied by employer's covered employee payroll*

<sup>2</sup> *Actual employer contributions remitted to the respective pension funds*

<sup>3</sup> *Employer's covered employee payroll amount for the fiscal year ended.*

## OTHER INFORMATION

**TOWN OF FARMERVILLE, LOUISIANA**  
**SCHEDULE OF COMPENSATION, BENEFITS**  
**AND OTHER PAYMENTS TO AGENCY HEAD**  
**JUNE 30, 2024**

Agency Head	Mayor John Crow
Salary	\$ 50,511
Benefits	
Insurance	379
Telephone	613
Vehicle	11,248
Travel	450
Meals	2,307
Uniforms	344
Registration Fees	460
Total Benefits	<u>15,801</u>
Total	<u><u>\$ 66,312</u></u>

**TOWN OF FARMERVILLE, LOUISIANA**  
**SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Robert Allen	\$	15,834
Caroline Gatson		14,000
Ricky Johnkin		12,200
Thomas Nation		12,300
Kerry Hill		12,200
	\$	<u>66,534</u>

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**LCDBG PUBLIC FACILITIES IMPROVEMENT PROJECT**  
**BALANCE SHEET**  
**JUNE 30, 2024**

**Assets**

Grants Receivable - LCDBG	\$	-
Due from Water Fund		-
		-

<b><u>Total Assets</u></b>		-
		-

**Liabilities and Fund Balance**

Accounts Payable		-
Retainage Payable		-
<b>Total Liabilities</b>		-

<b><u>Fund Balance</u></b>		-
		-

<b><u>Total Liabilities and Fund Balance</u></b>	\$	-
		-

See independent auditor's report

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**LCDBG PUBLIC FACILITIES IMPROVEMENT PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2024**

<b><u>Revenues</u></b>	
Grant Proceeds	\$ 225,000
<b><u>Expenses</u></b>	
Construction	225,000
	<hr/>
<b><u>Excess Revenues Over Expenditures</u></b>	-
<b><u>Fund Balance - Beginning</u></b>	-
	<hr/>
<b><u>Fund Balance - Ending</u></b>	\$ -
	<hr/> <hr/>

See independent auditor's report

**TOWN OF FARMERVILLE, LOUISIANA**  
**JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY**  
**AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	First Six Month Period Ended 12/31/2023	Second Six Month Period Ended 6/30/2024
<b>Cash Basis Presentation</b>		
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	\$ -	\$ -
<b>Add: Collections</b>		
Criminal Court Costs/Fees	8,760	7,953
Criminal Fines - Other	28,155	22,061
<b>Subtotal Collections</b>	<u>36,915</u>	<u>30,014</u>
<b>Less: Disbursements to Governments &amp; Nonprofits</b>		
LA Traumatic Head & Spinal Cord Injury Trust Fund	Criminal Court Costs/Fees 320	290
LA Commission on Law Enforcement-Training	Criminal Court Costs/Fees 352	330
LA Commission on Law Enforcement-Crime Victims	Criminal Court Costs/Fees 65	41
Trial Court Case Management Information System	Criminal Court Costs/Fees 528	495
Union Parish Crime Stoppers	Criminal Court Costs/Fees 358	326
N. La. Criminalistic Laboratory Commision	Criminal Court Costs/Fees 5,698	4,680
Louisiana Judicial College Fund	Criminal Court Costs/Fees 90	79
<b>Less: Amounts Retained by Collecting Agency</b>		
Criminal Court Costs/Fees	1,349	1,712
Criminal Fines - Other	28,155	22,061
<b>Subtotal Disbursements/Retainage</b>	<u>36,915</u>	<u>30,014</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS  
AND UNIFORM GUIDANCE



**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**

Honorable Mayor and Board of Aldermen of  
Farmerville, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Farmerville, Louisiana (the Town) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued my report thereon dated January 2, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. 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. I consider the deficiency described in the accompanying schedule findings and questioned costs as item 2024-001 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, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2024-002.

### **Town of Farmerville, Louisiana's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town's response to the finding identified in my audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, I express no opinion on the response.

### **Purpose of the Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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.

Maxwell CPA, LLC

Sterlington, Louisiana  
January 2, 2025



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

Honorable Mayor and Board of Aldermen of  
Farmerville, Louisiana

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

I have audited the Town of Farmerville, Louisiana's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Town of Farmerville, Louisiana's major federal program for the year ended June 30, 2024. The Town of Farmerville, Louisiana's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In my opinion, the Town of Farmerville, Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal program for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

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

I am required to be independent of the Town of Farmerville, Louisiana and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the Town of Farmerville, Louisiana's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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



Honorable Mayor and Board of Aldermen of  
Farmerville, Louisiana

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Farmerville, Louisiana's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the Town of Farmerville, Louisiana's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Farmerville, Louisiana's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

Honorable Mayor and Board of Aldermen of  
Farmerville, Louisiana

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Maxwell CPA, LLC*

Sterlington, Louisiana  
January 2, 2025

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grants/Pass Through Grantor/Program Title	Assistance Listing Number	Agency or Pass-Through Number	Federal Expenditures
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Community Development Block Grants			
State's Program and Non-Entitlement Grants			
Pass-Through: Louisiana Office of Community Development			
Love Louisiana Outdoors Program	14.228	2000705303	\$ 225,000
<b><u>U.S. Department of the Treasury</u></b>			
COVID-19 - Coronavirus State and Local Fiscal			
Recovery Funds	21.027	N/A	* 367,990
<b><u>Executive Office of the President</u></b>			
Delta Regional Authority			
Sewer System Improvements	21.200		<u>308,152</u>
<b>Total Federal Expenditures</b>			<u><u>\$ 901,142</u></u>

\* Denotes major federal program.

See accompanying notes to schedule of expenditures of federal awards.

**TOWN OF FARMERVILLE**  
**NOTES TO SCHEDULE OF EXPENDITURES**  
**OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Town of Farmerville. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

3. Federal Indirect Cost Rate

Town of Farmerville did not elect to use the 10% de minimis federal indirect cost rate for the year ended June 30, 2024.

**TOWN OF FARMERVILLE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Section I – Summary of Auditor’s Results**

**Financial Statement Audit**

1. The type of auditor report issued was unmodified.
2. There was one material weakness required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States of America.
3. There was one instance of noncompliance required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States of America.

**Audits of Federal Awards**

4. There were no significant deficiencies required to be disclosed by the Uniform Guidance.
5. The type of report the auditor issued on compliance for the major program was unmodified.
6. The audit disclosed no audit findings which the auditor is required to report under the Uniform Guidance.
7. The major federal program is: Assistance Listing #21.027 U.S. Department of the Treasury – COVID 19 Coronavirus State and Local Fiscal Recovery Funds
8. The threshold for distinguishing between Type A and B programs was \$750,000.
9. The auditee does not qualify to be a low-risk auditee under the Uniform Guidance.

**TOWN OF FARMERVILLE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2024 (continued)**

**FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT**

**2024-001      Timely Cut-off of Delinquent Accounts**

Condition:

The Town's cut-off policies and procedures to ensure that all delinquent accounts are collected on a timely basis or that service is discontinued are not always being enforced.

Criteria:

Continuing to provide services after the cut-off date and not actively trying to collect delinquent utility account balances is prohibited by Louisiana's constitution.

Cause:

The Town does not enforce timely cut-offs which can lead to customers having large balances and never paying.

The Town is not enforcing cut-off

Potential Effect:

By not cutting off delinquent accounts, the Town is providing free services to customers which could affect the continued operation and quality of the services in the future.

Recommendation:

The Town should take aggressive action to collect delinquent accounts or cut-off services timely.

Management's Response and Planned Corrective Action

See auditee prepared corrective action plan later in this report.

**2024-002      Compliance with Local Government Budget Act**

Condition:

For the year ended June 30, 2024, the Town's General, ARPA and Sales Tax Fund's had unfavorable budget variances of more than 5%.

Criteria:

Louisiana Revised Statute 39:1311 requires that the Town's budget be amended if there is a 5% or greater overage in budgeted revenues as compared to actual revenues or a 5% or greater overage in actual expenditures as compared to budgeted expenditures.

Cause:

The Town included bond proceeds in revenues that were received and recognized in the prior year.

Potential Effect:

The Town was not in compliance with the Local Government Budget Act.

**TOWN OF FARMERVILLE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2024 (continued)**

Recommendation:

The Town should monitor the budget closely and make amendments as needed to avoid having negative variances of greater than 5%.

Management's Response and Planned Corrective Action

See auditee prepared corrective action plan later in this report.

**TOWN OF FARMERVILLE, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Section I- Internal Control and Compliance Material to the Financial Statements

**2023-01**     **Timely Cut-off of Delinquent Accounts**

Condition:

The Town's cut-off policies and procedures to ensure that all delinquent accounts are collected on a timely basis or that service is discontinued are not always being enforced.

Recommendation:

The Town should take aggressive action to collect delinquent accounts or cut-off services timely.

Current Status:

This finding was repeated as 2024-001.

**2023-02**     **Compliance with Local Government Budget Act**

Condition:

For the year ended June 30, 2023, the Town's Sales Tax Fund's budgeted revenues exceeded its actual revenues by more than 5%.

Recommendation:

The Town should monitor the budget closely and make amendments as needed to avoid having negative variances of greater than 5%.

Current Status:

This finding was repeated as 2024-002.

Section II- Internal Control and Compliance Material to Federal Awards – N/A

Section III- Management Letter

No management letter was issued.

John Crow  
MAYOR

# Town of Farmerville

P.O. Box 427  
Farmerville, LA 71241  
Phone: (318) 368-9242  
Fax: (318) 368-7142  
www.farmerville.org

Gay Nell Pepper  
TOWN CLERK/  
TREASURER

## Corrective Action Plan

January 2, 2025

Maxwell CPA, LLC  
PO Box 1327  
Sterlington, LA 71280

Town of Farmerville respectfully submits the following corrective action plan for the year ended June 30, 2024.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the Schedule.

### Section 2: Financial Statement Findings

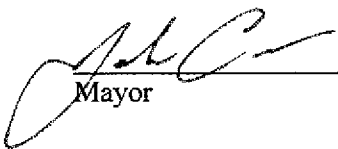
2024-001: Corrective Action Planned: We are aware that our current policy is not being followed according to our ordinance. We plan to enforce our current policy after we do a thorough review of the status of all meters.

2024-002: Corrective Action Planned: The Town will continue to monitor revenues and expenditures throughout the year as compared to budgeted revenues and expenditures and amend budgets as necessary to be in compliance with Louisiana Revised Statute 39:1311.

Anticipated Completion Date: January 2, 2025

Name of Contact Person Responsible for Corrective Action: John Crow, Mayor

Sincerely yours,

  
\_\_\_\_\_  
Mayor


District "A"  
Robert Allen  
Finance

District "B"  
Thomas Nation  
Streets

District "C"  
Caroline Gatson  
Recreation

District "D"  
Ricky Johnikin  
Public Services

District "E"  
Kerry Hill  
Emergency Services

"We are an equal opportunity employer and provider" 

**TOWN OF FARMERVILLE**  
**FARMERVILLE, LOUISIANA**

*Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2024*





INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable John Crow, Mayor; members of the Board of Aldermen of the Town of Farmerville, Louisiana; and the Louisiana Legislative Auditor:

I 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, 2023, through June 30, 2024. The Town of Farmerville's management is responsible for those C/C areas identified in the SAUPs.

The Town of Farmerville 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, 2023, through June 30, 2024. 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:

***1) Written Policies and Procedures***

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

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<sup>1</sup> For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.



- procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
  - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - ix. ***Ethics***<sup>2</sup>, 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.
  - x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
  - xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Findings:** Ten exceptions noted where the Town's policies and procedures did not address the required categories and subcategories listed above.

## ***2) Board or Finance Committee***<sup>3</sup>

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- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

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<sup>2</sup> The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

<sup>3</sup> These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- i. 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.
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds<sup>4</sup>, 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<sup>5</sup> if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.<sup>6</sup>

**Findings:** One exception noted due to the Town not updating the Board on the progress of audit findings.

### 3) Bank Reconciliations

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- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts<sup>7</sup> (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:
  - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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<sup>4</sup>Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

<sup>5</sup> R.S. 24:513 (A)(1)(b)(iv) defines public funds.

<sup>6</sup> No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

<sup>7</sup> Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

**Findings:** No exceptions noted.

#### ***4) Collections (excluding electronic funds transfers)<sup>8</sup>***

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- A. Obtain a listing of deposit sites<sup>9</sup> 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).
- B. For each deposit site selected, obtain a listing of collection locations<sup>10</sup> 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
  - i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - i. Observe that receipts are sequentially pre-numbered.<sup>11</sup>
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

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<sup>8</sup> The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

<sup>9</sup> A deposit site is a physical location where a deposit is prepared and reconciled.

<sup>10</sup> A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

<sup>11</sup> The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt<sup>12</sup> 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

**Findings:** No exceptions noted.

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

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

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<sup>12</sup> As required by Louisiana Revised Statute 39:1212.

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

**Findings:** No exceptions noted.

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

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards<sup>13</sup>. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
  - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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)<sup>14</sup>. 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.

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<sup>13</sup> Including cards used by school staff for either school operations or student activity fund operations.

<sup>14</sup> For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

**Findings:** Four exceptions for missing receipts.

#### **7) Travel and Travel-Related Expense Reimbursements<sup>15</sup> (excluding card transactions)**

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

**Findings:** No exceptions noted.

#### **8) Contracts**

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law<sup>16</sup> (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

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<sup>15</sup> Non-travel reimbursements are not required to be inspected under this category.

<sup>16</sup> If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

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

**Findings:** One exception in which the contract was not approved by the Board.

## ***9) Payroll and Personnel***

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- A. Obtain a listing of employees and officials<sup>17</sup> 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.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - i. Observe that all selected employees or officials<sup>18</sup> documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Findings:** No exceptions noted.

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<sup>17</sup> "Officials" would include those elected, as well as board members who are appointed.

<sup>18</sup> Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

## 10) *Ethics*<sup>19</sup>

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Findings:** No exceptions noted.

## 11) *Debt Service*<sup>20</sup>

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- A. 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.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Findings:** No exceptions noted.

## 12) *Fraud Notice*<sup>21</sup>

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

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<sup>19</sup> The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

<sup>20</sup> This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

<sup>21</sup> Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at [www.la.gov/hotline](http://www.la.gov/hotline)

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

**Findings:** No exceptions noted.

### ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
  - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

**Findings:** I performed the procedure and discussed the results with management.

### ***14) Prevention of Sexual Harassment<sup>22</sup>***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

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<sup>22</sup> While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

**Findings:** Five exceptions noted for the Town's sexual harassment report not being dated and four employees not taking the required training.

### ***Management's Response***

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We agree with the results of the procedures and will address the identified exception.

I was engaged by the Town of Farmerville 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*. I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Town of Farmerville and to meet my 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.

*Maxwell CPA, LLC*

Sterlington, Louisiana  
January 2, 2025