

EISNERAMPER

Town of Gramercy
2023 Financial Statements

TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1 - 4
<u>Required Supplemental Information – Part I</u>	
Management's Discussion and Analysis	5 – 11
<u>Basic Financial Statements</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):	
Statement of Net Position	12
Statement of Activities	13
FUND FINANCIAL STATEMENTS (FFS):	
Balance Sheet – Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	17
Statement of Net Position – Proprietary Funds	18
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20 – 21
<u>Notes to the Financial Statements</u>	22 – 48
<u>Required Supplementary Information – Part II</u>	
Schedule of Changes in Total Post-employment Liability and Related Ratios	49
Schedule of the Town of Gramercy's Proportionate Share of the Net Pension Liability	50
Schedule of the Town of Gramercy's Contributions	51
Notes to the Required Supplementary Information	52
Budgetary Comparison Schedule – General Fund	53
Budgetary Comparison Schedule – Sales Tax Fund	54

TABLE OF CONTENTS

Required Supplementary Information – Part II (continued)

Budgetary Comparison Schedule – American Rescue Plan Fund	55
---	----

Other Supplementary Information

Budgetary Comparison Schedule – Schedule of Other Revenue – General Fund	56
--	----

Budgetary Comparison Schedule – Schedule of Expenditures – General Fund	57 - 58
---	---------

Schedule of Principal Officials and Salaries	59
--	----

Schedule of Compensation, Benefits, and Other Payments to Agency Head	60
---	----

Justice System Funding Schedule – Collecting/Disbursing Entity as Required by Act 87 of 2020 Regular Legislative Session – Cash Basis Presentation	61
--	----

Other Reports Required by Government Auditing Standards

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	62 – 63
---	---------

Schedule of Findings and Responses	64
------------------------------------	----

Summary Schedule of Prior Year Audit Finding	65
--	----

Other Information (Unaudited)

Insurance-in-Force Schedule (Unaudited)	66
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Public Utility System Operations Schedule (Unaudited)	67 – 68
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Gramercy, Louisiana

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information



Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary comparison schedules of other revenue and expenditures – general fund, the schedule of principal officials and salaries, the schedule of compensation, benefits, and other payments to agency head, and the justice system funding schedule – collecting/dispersing entity as required by Act 87 of 2020 Regular Legislative Session – cash basis presentation, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules of other revenue and expenditures – general fund, the schedule of principal officials and salaries, the schedule of compensation, benefits and other payments to agency head, and the justice system funding schedule – collecting/dispersing entity as required by Act 87 of 2020 Regular Legislative Session – cash basis presentation are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Information

Management is responsible for the other information included in the annual report. The other information comprises the insurance-in-force schedule (unaudited) and public utility system operations schedule (unaudited) but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER, LLP
Donaldsonville, Louisiana
December 29, 2023



TOWN OF GRAMERCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

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

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources of the Town exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$6,972,120 (net position). Of this amount, \$246,882 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- During the year, the Town's governmental activities expenses were approximately \$372,000 less than the approximately \$3.4 million generated in charges for services, taxes, and other revenue. In the Town's business-type activities, expenses were approximately \$169,000 more than the approximately \$1.6 million generated in revenues and transfers.
- The general fund reported approximately \$4.1 million fund balance at year end.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information, and a supplemental section that includes schedules of detailed budgetary amounts and compensation/salary schedules for principal officials and agency head. 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 remains for future spending.
 - Proprietary fund statements offer *short* and *long-term* financial information about the activities that the government operates *like businesses*, such as water and sewer systems.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another and summarizes the major features of the Town's financial statements, including the portion of the Town's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

TOWN OF GRAMERCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

Figure A-1
Major Features of Town's Government and Fund Financial Statements

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

TOWN OF GRAMERCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

Government-wide Statements

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

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

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

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

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

Fund 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 devices that the Town uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants.

The Town has two kinds of funds:

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

TOWN OF GRAMERCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Net position. The Town's combined net position increased between fiscal years 2022 and 2023 to approximately \$7.0 million from approximately \$6.8 million. (See Table A-1.)

Table A-1
Town's Net Position

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Current and other assets	\$ 5,449,893	\$ 4,983,382	\$ 254,797	\$ 356,641
Capital assets	1,563,954	1,222,018	5,819,006	5,982,637
Restricted assets	-	-	212,990	214,186
Total assets	7,013,847	6,205,400	6,286,793	6,553,464
Deferred outflows of resources	830,607	585,878	445,616	239,236
Total assets and deferred outflows of resources	7,844,454	6,791,278	6,732,409	6,792,700
Current liabilities	1,176,055	797,224	244,515	256,943
Long term liabilities	2,953,656	2,224,869	2,132,886	1,736,472
Total liabilities	4,129,711	3,022,093	2,377,401	1,993,415
Deferred inflows of resources	824,157	1,250,353	273,474	548,408
Total liabilities and deferred inflows of resources	4,953,868	4,272,446	2,650,875	2,541,823
Net position				
Net investment in capital assets	1,502,836	1,222,018	4,891,611	4,993,613
Restricted	223,099	264,153	107,692	110,274
Unrestricted (deficit)	1,164,651	1,032,661	(917,769)	(853,010)
Total net position	\$ 2,890,586	\$ 2,518,832	\$ 4,081,534	\$ 4,250,877

Net position of the Town's governmental activities increased approximately 14.8 percent to approximately \$2.9 million. Net position of the Town's business-type activities decreased approximately 4.0 percent to \$4.1 million.

Changes in net position. The Town's total revenues decreased by approximately \$190,000 to approximately \$4.68 million. Approximately 30.5 percent of the Town's revenue comes from charges for services, 28.9 percent comes from tax collections, and 16.4 percent comes from operating and capital grants.

The Town's total expenses decreased by approximately \$750,000 or 14.4 percent to approximately \$4.5 million. Approximately 60.4 percent of the Town's expenses come from governmental activities and 39.6 percent come from its business-type activities. (See Table A-2)

Revenue and expense decreases are related to the prior year influx in revenues and expenses as a result of Hurricane Ida and the Town's response.

TOWN OF GRAMERCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

Governmental Activities

Revenues for the Town's governmental activities decreased by approximately \$212,000 or 5.8 percent. Additionally, total expenses decreased approximately \$762,000 or 22.0 percent. Decreases mentioned are a direct result of the aftermath of Hurricane Ida which caused revenues and expenses to be inflated during fiscal year 2022.

Table A-2
Changes in Town's Net Position

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Revenues				
Program revenues				
Charges for services	\$ 286,465	\$ 282,656	\$ 1,138,630	\$ 1,074,332
Operating grants and contributions	661,754	915,544	-	-
Capital grants and contributions	75,000	75,000	29,265	70,000
General revenues				
Taxes	1,271,655	1,298,145	80,416	80,796
Licenses and permits	172,879	191,116	-	-
Fines and forfeitures	26,039	13,566	-	-
Intergovernmental	544,984	640,641	-	-
Miscellaneous	279,238	220,644	-	-
Interest	113,664	6,530	33	45
Total revenues	3,431,678	3,643,842	1,248,344	1,225,173
Expenses				
General government	744,128	911,353	-	-
Public safety	906,902	761,063	-	-
Streets	666,001	962,675	-	-
Sanitation	325,056	278,946	-	-
Drainage	62,842	552,812	-	-
Business-type expenses	-	-	1,772,682	1,760,952
Total expenses	2,704,929	3,466,849	1,772,682	1,760,952
Transfers				
Transfers in	-	-	354,995	326,398
Transfers out	(354,995)	(326,398)	-	-
Total transfers	(354,995)	(326,398)	354,995	326,398
Change in net position	371,754	(149,405)	(169,343)	(209,381)
Beginning net position	2,518,832	2,668,237	4,250,877	4,460,258
Ending net position	\$ 2,890,586	\$ 2,518,832	\$ 4,081,534	\$ 4,250,877

Business-Type Activities

Revenues for the Town's business-type activities increased by 1.9 percent to approximately \$1.3 million while total expenses increased 0.7 percent to approximately \$1.8 million. There were no significant changes in fees charged and costs remained consistent with the prior year.

TOWN OF GRAMERCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As the Town completed the year, its general fund reported fund balance of approximately \$4.1 million, an increase of 3.3 percent from last year.

General Fund Budgetary Highlights

Federal grant revenues recognized were approximately \$450,000 more than originally budgeted for as a direct result of the Town starting projects that utilized the Coronavirus State and Local Fiscal Recovery Funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of the 2023 fiscal year, the Town had invested approximately \$7.4 million in a broad range of capital assets, including police equipment, buildings, vehicles, and water and sewer systems. (See Table A-3) This amount represents a net increase (including additions and deductions) of approximately \$178,000 or 2.5 percent, when compared to last year.

Table A-3
Town's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Land	\$ 92,520	\$ 92,520	\$ 76,825	\$ 76,825
Plant & Equipment	-	-	5,708,181	5,889,498
Other Improvements	1,058,022	815,592	-	-
Equipment	319,346	279,044	-	-
ROU Lease Asset	60,816	-	-	-
Construction in progress	33,250	34,862	34,000	16,314
Total	\$ 1,563,954	\$ 1,222,018	\$ 5,819,006	\$ 5,982,637

Net decrease in capital assets is a result of the current year capital asset disposals and depreciation expense exceeding the current year asset additions.

This year's major capital asset activity included:

Governmental Activities:

- Various drainage and street improvements - \$330,000
- Kubota Excavator - \$40,000
- Police equipment - \$26,500

Business-Type Activities:

- The Town purchased several pumps and motors for the water and sewer systems and lift station upgrades.

TOWN OF GRAMERCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

Outstanding debt. At the end of the current fiscal year, the Town had bonded debt outstanding of approximately \$908,000 as compared to approximately \$978,000 in the prior year, a decrease of \$70,000 or 7.2 percent. (See Table A-4) More information about the Town's long-term debt is presented in Note 6 to the financial statements.

Table A-4
Town's Outstanding Debt

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Water Improvement Bonds	\$ -	\$ -	\$ 908,441	\$ 978,441
Lease liability	61,118	-	-	-
Compensated absences	6,080	30,806	3,639	6,081
Total	\$ 67,198	\$ 30,806	\$ 912,080	\$ 984,522

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's major sources of revenue for the general fund are comprised from taxes, video poker, and charges for services at 45.6%, 22.6%, and 16%, respectively. The economy is not expected to generate significant growth from the prior year.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Steven Bourgeois, Mayor, PO Drawer 340, Gramercy, LA 70052.

TOWN OF GRAMERCY
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,475,785	\$ 49,897	\$ 1,525,682
Investments	3,217,100	-	3,217,100
Receivables, net	114,002	204,900	318,902
Due from other governmental agencies	438,987	-	438,987
Prepaid insurance	204,019	-	204,019
Restricted assets - cash	-	212,990	212,990
Capital assets:			
Non-depreciable	125,770	110,825	236,595
Capital assets, net of depreciation	1,377,368	5,708,181	7,085,549
Right of use lease asset	60,816	-	60,816
Total assets	<u>7,013,847</u>	<u>6,286,793</u>	<u>13,300,640</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred amounts related to net pension liability	500,309	364,333	864,642
Deferred amounts related to total OPEB liability	330,298	81,283	411,581
Total deferred outflows of resources	<u>830,607</u>	<u>445,616</u>	<u>1,276,223</u>
<u>LIABILITIES</u>			
Accounts payable	30,916	27,257	58,173
Due to employees' retirement systems	32,021	-	32,021
Accrued interest payable	-	9,454	9,454
Accrued salaries payable and related benefits	26,684	17,672	44,356
Unearned revenues	1,050,100	-	1,050,100
Payable from restricted assets:			
Customer service meter deposits	-	114,493	114,493
Long-term liabilities:			
Bonds, leases, compensated absences:			
Due within one year	36,334	75,639	111,973
Due after one year	30,864	836,441	867,305
Total other post-employment benefits liability	1,518,493	262,223	1,780,716
Net pension liability	1,404,299	1,034,222	2,438,521
Total liabilities	<u>4,129,711</u>	<u>2,377,401</u>	<u>6,507,112</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred amounts related to net pension liability	36,979	48,685	85,664
Deferred amounts related to total OPEB liability	787,178	224,789	1,011,967
Total deferred inflows of resources	<u>824,157</u>	<u>273,474</u>	<u>1,097,631</u>
<u>NET POSITION</u>			
Net investment in capital assets	1,502,836	4,891,611	6,394,447
Restricted	223,099	107,692	330,791
Unrestricted (deficit)	1,164,651	(917,769)	246,882
Total net position	<u>\$ 2,890,586</u>	<u>\$ 4,081,534</u>	<u>\$ 6,972,120</u>

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

TOWN OF GRAMERCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total	
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-Type Activities
Functions/Programs							
Governmental activities:							
General government	\$ 744,128	\$ -	\$ 211,618	\$ -	\$ (532,510)	\$ -	\$ (532,510)
Streets	666,001	-	-	75,000	(591,001)	-	(591,001)
Public safety	906,902	-	450,136	-	(456,766)	-	(456,766)
Sanitation	325,056	286,465	-	-	(38,591)	-	(38,591)
Drainage	62,842	-	-	-	(62,842)	-	(62,842)
Total governmental activities	<u>2,704,929</u>	<u>286,465</u>	<u>661,754</u>	<u>75,000</u>	<u>(1,681,710)</u>	<u>-</u>	<u>(1,681,710)</u>
Business-type activities:							
Public utility	1,127,187	715,005	-	18,374	-	(393,808)	(393,808)
Sewer	645,495	423,625	-	10,891	-	(210,979)	(210,979)
Total business-type activities	<u>1,772,682</u>	<u>1,138,630</u>	<u>-</u>	<u>29,265</u>	<u>-</u>	<u>(604,787)</u>	<u>(604,787)</u>
Total primary government	<u>\$ 4,477,611</u>	<u>\$ 1,425,095</u>	<u>\$ 661,754</u>	<u>\$ 104,265</u>	<u>(1,681,710)</u>	<u>(604,787)</u>	<u>(2,286,497)</u>
General Revenues:							
Taxes					1,271,655	80,416	1,352,071
Licenses and permits					172,879	-	172,879
Intergovernmental					544,984	-	544,984
Miscellaneous					279,238	-	279,238
Fines and forfeitures					26,039	-	26,039
Interest					113,664	33	113,697
Transfers					(354,995)	354,995	-
Total general revenues and transfers					<u>2,053,464</u>	<u>435,444</u>	<u>2,488,908</u>
Change in net position					371,754	(169,343)	202,411
Net position - July 1, 2022					2,518,832	4,250,877	6,769,709
Net position - June 30, 2023					<u>\$ 2,890,586</u>	<u>\$ 4,081,534</u>	<u>\$ 6,972,120</u>

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

TOWN OF GRAMERCY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Sales Tax Fund	American Rescue Plan Fund	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 403,157	\$ 164,531	\$ 908,097	\$ 1,475,785
Investments	3,217,100	-	-	3,217,100
Other accounts receivable, net	114,002	-	-	114,002
Due from other governmental agencies	378,419	60,568	-	438,987
Prepaid insurance	204,019	-	-	204,019
Total assets	<u>\$ 4,316,697</u>	<u>\$ 225,099</u>	<u>\$ 908,097</u>	<u>\$ 5,449,893</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 28,916	\$ 2,000	\$ -	\$ 30,916
Accrued liabilities	32,764	-	-	32,764
Due to employees' retirement systems	32,021	-	-	32,021
Unearned revenue	142,003	-	908,097	1,050,100
Total liabilities	<u>235,704</u>	<u>2,000</u>	<u>908,097</u>	<u>1,145,801</u>
<u>FUND BALANCES</u>				
Nonspendable	204,019	-	-	204,019
Restricted	-	223,099	-	223,099
Unassigned	3,876,974	-	-	3,876,974
Total fund balances	<u>4,080,993</u>	<u>223,099</u>	<u>-</u>	<u>4,304,092</u>
Total liabilities and fund balances	<u>\$ 4,316,697</u>	<u>\$ 225,099</u>	<u>\$ 908,097</u>	<u>\$ 5,449,893</u>

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

TOWN OF GRAMERCY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances - governmental funds		\$ 4,304,092
Deferred outflows - related to net pension liability	500,309	
Deferred outflows - related to total OPEB liability	<u>330,298</u>	830,607
Cost of capital assets at June 30, 2023	4,918,067	
Less: accumulated depreciation as of June 30, 2023	(3,414,929)	
Cost of ROU asset at June 30, 2023	76,020	
Less: accumulated amortization as of June 30, 2023	<u>(15,204)</u>	1,563,954
Lease liability	(61,118)	
Other post-employment benefits liability	(1,518,493)	
Net pension liability	(1,404,299)	
Deferred inflows - related to net pension liability	(36,979)	
Deferred inflows - related to total OPEB liability	<u>(787,178)</u>	<u>(3,808,067)</u>
Total net position at June 30, 2023 - governmental activities		<u>\$ 2,890,586</u>

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

TOWN OF GRAMERCY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Sales Tax Fund	American Rescue Plan Fund	Total Governmental Funds
REVENUES				
Ad valorem taxes	\$ 127,227	\$ -	\$ -	\$ 127,227
Sales taxes	769,029	375,399	-	1,144,428
Garbage fees	236,338	-	-	236,338
Mosquito control	50,127	-	-	50,127
Franchise taxes	120,526	-	-	120,526
Licenses and permits	172,879	-	-	172,879
Intergovernmental revenue:				
Federal grants	450,136	-	211,618	661,754
State funds:				
Beer	3,440	-	-	3,440
Video poker	541,544	-	-	541,544
Local sources	75,000	-	-	75,000
Fines and forfeitures	26,039	-	-	26,039
Investment earnings	113,664	-	-	113,664
Other revenue	129,609	733	-	130,342
Total revenues	<u>2,815,558</u>	<u>376,132</u>	<u>211,618</u>	<u>3,403,308</u>
EXPENDITURES				
Current operating expenditures:				
General government	748,487	-	-	748,487
Streets	501,563	98,333	-	599,896
Drainage	868	24,322	-	25,190
Public safety	792,483	10,097	-	802,580
Sanitation	325,056	-	-	325,056
Capital outlay	187,624	258,009	90,363	535,996
Total expenditures	<u>2,556,081</u>	<u>390,761</u>	<u>90,363</u>	<u>3,037,205</u>
EXCESS OF REVENUES				
OVER (UNDER) EXPENDITURES	259,477	(14,629)	121,255	366,103
OTHER FINANCING SOURCES (USES)				
Lease proceeds	76,020	-	-	76,020
Transfers in	117,685	-	-	117,685
Transfers out	(325,000)	(26,425)	(121,255)	(472,680)
Total other financing uses	<u>(131,295)</u>	<u>(26,425)</u>	<u>(121,255)</u>	<u>(278,975)</u>
Change in fund balance	128,182	(41,054)	-	87,128
FUND BALANCE				
Beginning of year	3,952,811	264,153	-	4,216,964
End of year	<u>\$ 4,080,993</u>	<u>\$ 223,099</u>	<u>\$ -</u>	<u>\$ 4,304,092</u>

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

TOWN OF GRAMERCY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balance - governmental funds		\$	87,128
Capital assets:			
Add: Capital outlay and other expenditures capitalized	535,996		
Less: Depreciation expense for year ended June 30, 2023	(174,519)		
Less: Amortization expense for year ended June 30, 2023	(15,204)		
Loss on disposal	<u>(4,337)</u>		341,936
Long-term liabilities:			
Change in lease liability	(61,118)		
Excess of compensated absences used over compensated absences earned	30,806		
Net change in total OPEB liability and deferred inflows/outflows of resources	10,284		
Net change in net pension liability and deferred inflows/outflows of resources	<u>(37,282)</u>		<u>(57,310)</u>
Change in net position of governmental activities		\$	<u><u>371,754</u></u>

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

TOWN OF GRAMERCY, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Public Utility Revenue Fund	Sewer Operating Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 39,782	\$ 10,115	\$ 49,897
Accounts receivable, net	136,984	67,916	204,900
Restricted assets - cash and cash equivalents	105,298	-	105,298
Total current assets	<u>282,064</u>	<u>78,031</u>	<u>360,095</u>
Noncurrent assets:			
Restricted assets - cash and cash equivalents	107,692	-	107,692
Capital assets:			
Non-depreciable	86,325	24,500	110,825
Capital assets, net of depreciation	4,209,575	1,498,606	5,708,181
Total noncurrent assets	<u>4,403,592</u>	<u>1,523,106</u>	<u>5,926,698</u>
Total assets	<u>4,685,656</u>	<u>1,601,137</u>	<u>6,286,793</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to net pension liability	246,592	117,741	364,333
Deferred amounts related to total OPEB liability	55,260	26,023	81,283
Total deferred outflows of resources	<u>301,852</u>	<u>143,764</u>	<u>445,616</u>
LIABILITIES			
Current liabilities:			
Accounts payable	20,035	7,222	27,257
Other accrued liabilities	22,191	4,935	27,126
Payable from restricted assets:			
Customer service meter deposits	114,493	-	114,493
Debt and compensated absences due within one year	75,339	300	75,639
Total current liabilities	<u>232,058</u>	<u>12,457</u>	<u>244,515</u>
Noncurrent liabilities:			
Debt and compensated absences due after one year	836,441	-	836,441
Total other post-employment benefits liability	176,651	85,572	262,223
Net pension liability	699,994	334,228	1,034,222
Total noncurrent liabilities	<u>1,713,086</u>	<u>419,800</u>	<u>2,132,886</u>
Total liabilities	<u>1,945,144</u>	<u>432,257</u>	<u>2,377,401</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to net pension liability	32,952	15,733	48,685
Deferred amounts related to total OPEB liability	152,667	72,122	224,789
Total deferred inflows of resources	<u>185,619</u>	<u>87,855</u>	<u>273,474</u>
NET POSITION			
Net investment in capital assets	3,368,505	1,523,106	4,891,611
Restricted for debt retirement	107,692	-	107,692
Unrestricted (deficit)	(619,452)	(298,317)	(917,769)
Total net position	<u>\$ 2,856,745</u>	<u>\$ 1,224,789</u>	<u>\$ 4,081,534</u>

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

TOWN OF GRAMERCY, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Public Utility Revenue Fund	Sewer Operating Fund	Total
OPERATING REVENUES			
Charges for services	\$ 695,859	\$ 414,701	\$ 1,110,560
Tap fees	600	1,100	1,700
Miscellaneous revenues	18,546	7,824	26,370
Total operating revenues	<u>715,005</u>	<u>423,625</u>	<u>1,138,630</u>
OPERATING EXPENSES			
Salaries	375,934	159,874	535,808
Office expenses	11,048	40	11,088
Miscellaneous expenses	1,885	46,718	48,603
Insurance	151,649	35,988	187,637
Supplies and maintenance	115,963	116,660	232,623
Vehicle expenses	3,020	5,663	8,683
Professional fees	19,500	19,500	39,000
Retirement	111,076	30,504	141,580
Electricity	34,824	57,270	92,094
Payroll taxes	4,850	1,633	6,483
Laboratory expenses	10,230	7,860	18,090
Chemicals	70,920	10,008	80,928
Depreciation	183,661	153,777	337,438
Total operating expenses	<u>1,094,560</u>	<u>645,495</u>	<u>1,740,055</u>
OPERATING LOSS	(379,555)	(221,870)	(601,425)
NONOPERATING REVENUE (EXPENSES)			
Ad valorem taxes	80,416	-	80,416
Interest revenues	9	24	33
Capital grant revenues	18,374	10,891	29,265
Interest expense	(32,627)	-	(32,627)
Total nonoperating revenue	<u>66,172</u>	<u>10,915</u>	<u>77,087</u>
Loss before transfers	(313,383)	(210,955)	(524,338)
OTHER FINANCING SOURCES (USES)			
Transfers in	278,915	245,027	523,942
Transfers out	(152)	(168,795)	(168,947)
Total other financing sources	<u>278,763</u>	<u>76,232</u>	<u>354,995</u>
CHANGE IN NET POSITION	(34,620)	(134,723)	(169,343)
Total net position- beginning	2,891,365	1,359,512	4,250,877
Total net position- ending	<u>\$ 2,856,745</u>	<u>\$ 1,224,789</u>	<u>\$ 4,081,534</u>

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

TOWN OF GRAMERCY, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Public Utility Revenue Fund	Sewer Operating Fund	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash received from customers	\$ 692,033	\$ 419,044	\$ 1,111,077
Cash payments to suppliers for goods and services	(529,317)	(347,306)	(876,623)
Cash payments to employees for services	(380,914)	(159,574)	(540,488)
Net cash used in operating activities	<u>(218,198)</u>	<u>(87,836)</u>	<u>(306,034)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING</u>			
<u>ACTIVITIES:</u>			
Transfers to other funds	(152)	(168,795)	(168,947)
Transfers from other funds	278,915	245,027	523,942
Net cash provided by noncapital financing	<u>278,763</u>	<u>76,232</u>	<u>354,995</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED</u>			
<u>FINANCING ACTIVITIES:</u>			
Acquisition of capital assets	(88,873)	(101,248)	(190,121)
Principal paid on debt	(70,000)	-	(70,000)
Subsidy from grants	18,374	10,891	29,265
Interest paid on indebtedness	(32,627)	-	(32,627)
Receipt of ad valorem taxes	80,416	-	80,416
Net cash used in capital and related financing activities	<u>(92,710)</u>	<u>(90,357)</u>	<u>(183,067)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest earned on investments	9	24	33
Net cash provided by investing activities	<u>9</u>	<u>24</u>	<u>33</u>
Net decrease in cash and cash equivalents	(32,136)	(101,937)	(134,073)
Cash and cash equivalents - beginning of year	284,908	112,052	396,960
Cash and cash equivalents - end of year	<u>\$ 252,772</u>	<u>\$ 10,115</u>	<u>\$ 262,887</u>

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

TOWN OF GRAMERCY, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Public Utility Revenue Fund	Sewer Operating Fund	Total
<u>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES:</u>			
Operating loss	\$ (379,555)	\$ (221,870)	\$ (601,425)
Adjustments to reconcile loss from operations to net cash used in operating activities:			
Depreciation	183,661	153,777	337,438
Loss on asset disposal	-	16,314	16,314
Net change in assets and liabilities:			
Accounts receivable	(26,452)	(4,581)	(31,033)
Net pension liability	294,499	121,421	415,920
Total other postemployment benefit liability	36,130	15,364	51,494
Deferred outflows of resources	(143,117)	(63,263)	(206,380)
Accounts payable	(8)	(12,004)	(12,012)
Other accrued liabilities	(2,238)	(216)	(2,454)
Deferred inflows of resources	(181,856)	(93,078)	(274,934)
Compensated absences	(2,742)	300	(2,442)
Customer service meter deposits	3,480	-	3,480
Total adjustments	<u>161,357</u>	<u>134,034</u>	<u>295,391</u>
Net cash used in operating activities	<u>\$ (218,198)</u>	<u>\$ (87,836)</u>	<u>\$ (306,034)</u>
Cash and cash equivalents consists of :			
Current assets			
Cash and cash equivalents	\$ 39,782	\$ 10,115	\$ 49,897
Restricted assets - cash and cash equivalents	105,298	-	105,298
Noncurrent assets			
Restricted assets - cash and cash equivalents	107,692	-	107,692
	<u>\$ 252,772</u>	<u>\$ 10,115</u>	<u>\$ 262,887</u>

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

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies

The Town of Gramercy, Louisiana (Town) was incorporated on November 27, 1947, and operates under a Mayor - Board of Aldermen form of government. As authorized by its charter, the Town is responsible for public safety, highways and streets, sanitation, public improvements, and general administrative services.

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

Financial Reporting Entity

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

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

Basis of Presentation, Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between *the governmental and business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation, Basis of Accounting (continued)

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category - *governmental and proprietary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Town reports the following major governmental funds:

- a. General Fund - This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- b. Sales Tax Fund – The Sales Tax Fund accounts for the receipt and use of proceeds of the Town's one-half percent sales and use tax that was authorized on March 24, 2018. These taxes are dedicated for constructing, improving, extending and maintaining streets, drainage, sewer infrastructure and sewerage treatment works; police department equipment; and purchasing and acquiring the necessary equipment and land for any of the aforesaid public works, improvements and facilities.
- c. American Rescue Plan Fund – The American Rescue Plan Fund accounts for the receipt and use of allocations received for Coronavirus State and Local Fiscal Recovery Funds. This federal award has been awarded to state and local governments for certain recovery efforts following the effects of the COVID-19 pandemic.

The Town reports the following two major enterprise funds:

Public Utility Revenue Fund and Sewer Operating Fund - These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing the goods or services to the general public on a continuing basis be financed or recovered through user charges or (b) where the governing body has decided 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.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting (continued)

Governmental Fund Financial Statements. The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in the governmental fund. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Use of Estimates

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

Pension Plans

The Town is a participating employer in two cost-sharing, multiple-employer defined benefit pension plans as described in Note 10. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

Budgets and Budgetary Accounting

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

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is held to obtain taxpayer comments.

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

3. The budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. 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 originally estimated require the approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the general, special revenue, and proprietary funds are adopted on bases consistent with accounting principles generally accepted in the United States of America (GAAP).
7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.

The level of budgetary control is total appropriations. Budgeted amounts included in the financial statements include the original adopted budget and final amended budget for the general fund, and the original adopted budget for the sales tax fund.

Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments include demand deposit accounts, interest-bearing demand accounts, certificates of deposit, and investments in the Louisiana Asset Management Pool (LAMP) with a maturity date within three months of the date of acquisition. Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, and time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc., a nonprofit corporation formed by an initiative of the State Treasury and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Under State Law, the Town may invest in certificates of deposits. These are classified as cash equivalents if the original maturities are 90 days or less; however, if their original maturity exceed 90 days, these are classified as investments. Investments are stated at cost and approximate fair value.

Restricted Assets

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

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets with an acquisition value greater than \$1,000 are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Purchased or constructed capital assets are reported at cost or estimated historical cost, except for intangible right-to-use lease assets, which is measured at the present value of payments expected to be made. Donated fixed assets are recorded at their estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital Assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40
Building Improvements	15
Other Improvements	20-40
Vehicles	5-15
Equipment	3-15

Right-to-Use Lease Assets are amortized using the straight-line method over the lesser of the estimated useful life described above or the term of the lease.

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

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

Sewerage system	40 years
Waterworks system	40 years
Office equipment	5-10 years
Automotive equipment	3-5 years

Accounts Receivable

Uncollectible amounts due from customers for utility services are recognized through the establishment of an allowance for uncollectible accounts at the time information becomes available which indicates the uncollectibility of the particular receivable.

Accumulated Leave

Employees earn vacation leave on January 1st of each year at various rates depending upon the length of their employment. Employees must use their vacation leave in the year earned. The liability for compensated absences reported in the governmental-wide statements consists of unpaid, accumulated annual leave balances at June 30, 2023.

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Long-Term Liabilities

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

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

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

Ad valorem tax revenue bonds are secured by ad valorem tax revenues. For those issues not associated with enterprise fund operations, payment of the debt is provided by ad valorem tax revenue recognized in the appropriate governmental fund. Ad valorem tax revenue bond issues associated with enterprise funds are accounted for in the relevant enterprise fund.

Leases

The Town is a lessee for a noncancellable lease of office space. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments to be expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the life of the lease.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not determinable, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and lease liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Interfund Balances / Transfers

During the course of normal operations, the Town has transactions between funds, including expenditures and transfers of resources to provide services, purchase assets and service debt. Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases, where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

Deferred Outflows/Inflows of Resources

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

The Town's deferred outflows and inflows of resources on the statement of net position are a result of deferrals concerning pensions and other post-employment benefits.

Note 10 presents detailed information concerning the amounts related to pensions reported in the deferred inflows and deferred outflows sections of the statement of net position. Note 12 presents detailed information concerning the amounts related to other post-employment benefits reported in the deferred inflows and deferred outflows sections of the statement of net position.

Statements of Cash Flows

For purposes of the statements of cash flows, the Town considers all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents.

Equity Classifications

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

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

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Equity Classifications (continued)

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

Fund Financial Statements: In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental funds is further classified as follows:

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

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Town reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, or unassigned amounts are available, the Town reduces committed amounts first, followed by assigned amounts, and finally unassigned amounts, as needed, unless the Town has provided otherwise in its committed or assignment actions.

Encumbrances

Encumbrance accounting, under which contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

Risk Management

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

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax-exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax-exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of Treasury for Town issues at June 30, 2023.

Current Year Adoption of New Accounting Standard

The Town has implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The implementation of this statement did not result in any change in the Town's financial statements. GASB Statement No. 94 establishes standards of accounting and financial reporting for those types of payment arrangements.

The Town has implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this statement did not result in any change in the Town's financial statements. GASB Statement No. 96 requires these arrangements to be accounted for similar to those within the scope of GASB Statement No. 87.

2. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

At June 30, 2023, the carrying amounts of the Town's cash and cash equivalents were as follows:

Cash and cash equivalents	\$ 1,525,682
Restricted cash	212,990
	<u>\$ 1,738,672</u>

Under state law, these deposits must be secured by either federal deposit insurance or by the pledge of securities owned by a fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank.

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. At year-end, the Town's bank balance was \$1,817,154. Of this amount, \$512,665 was covered by federal depository insurance, and \$1,304,489 was collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

Securities that may be pledged as collateral consist of obligations of the U.S. Government and its agencies, obligations of the State of Louisiana and its municipalities and school districts.

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

2. Cash, Cash Equivalents, and Investments (continued)

Investments

At June 30, 2023, the Town is invested in a \$40,000 18-month certificate of deposit with an interest rate of 0.35% and \$3,177,100 in an external investment pool, Louisiana Asset Management Pool.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the state of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

LAMP is a governmental investment pool that reports at fair value. The investments are measured at the net asset value. The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAM by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no public disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM of LAMP's total investments is 56 days (from LAMP's monthly Portfolio Holdings) as of June 30, 2023.

Foreign currency risk: Not applicable. LAMP complies with the provisions of Louisiana Law concerning permissible investments for municipalities, parishes and other political subdivisions set forth in La R.S. 33:2955 and the investment policy does not provide for investment in foreign obligations.

The investments in LAMP are stated at fair value based on quoted market prices. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pools is the same as the net asset value of the pool shares.

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

An annual audit of LAMP is conducted by the Louisiana Legislative Auditor. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP. LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 650 Poydras St., Suite 2220, New Orleans, LA 70130.

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

3. Capital Assets

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

Governmental Activities:

	June 30, 2022	Additions	Disposals	Transfers	June 30, 2023
Non-depreciable capital assets					
Land	\$ 92,520	\$ -	\$ -	\$ -	\$ 92,520
Construction in progress	34,862	246,687	(4,337)	(243,962)	33,250
Non-depreciable capital assets	<u>127,382</u>	<u>246,687</u>	<u>(4,337)</u>	<u>(243,962)</u>	<u>125,770</u>
Depreciable capital assets					
Buildings	285,736	-	-	-	285,736
Other improvements	3,005,081	101,782	-	243,962	3,350,825
Equipment	1,146,810	111,507	(102,581)	-	1,155,736
Right-of-use lease asset	-	76,020	-	-	76,020
Depreciable capital assets	<u>4,437,627</u>	<u>289,309</u>	<u>(102,581)</u>	<u>243,962</u>	<u>4,868,317</u>
Cost of capital assets	<u>4,565,009</u>	<u>535,996</u>	<u>(106,918)</u>	<u>-</u>	<u>4,994,087</u>
Accumulated depreciation & amortization					
Buildings	285,736	-	-	-	285,736
Other improvements	2,189,489	103,314	-	-	2,292,803
Equipment	867,766	71,205	(102,581)	-	836,390
Right-of-use lease asset	-	15,204	-	-	15,204
Total	<u>3,342,991</u>	<u>189,723</u>	<u>(102,581)</u>	<u>-</u>	<u>3,430,133</u>
Capital assets, net	<u>\$1,222,018</u>	<u>\$346,273</u>	<u>\$ (4,337)</u>	<u>\$ -</u>	<u>\$1,563,954</u>

Depreciation and amortization expense of \$189,723 for the year ended June 30, 2023 was charged to the following governmental functions:

General Government	\$ 28,502
Streets	86,895
Drainage	37,652
Public Safety	36,674
	<u>\$ 189,723</u>

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

3. Capital Assets (continued)

Business-Type activities:

	June 30, 2022	Additions	Disposals	Transfers	June 30, 2023
Non-depreciable capital assets					
Land	\$ 76,825	\$ -	\$ -	\$ -	\$ 76,825
Construction in progress	16,314	34,000	(16,314)	-	34,000
Non-depreciable capital assets	93,139	34,000	(16,314)	-	110,825
Depreciable capital assets					
Plant & equipment	13,374,306	156,121	-	-	13,530,427
Cost of capital assets	13,467,445	190,121	(16,314)	-	13,641,252
Accumulated depreciation & amortization					
Plant & equipment	7,484,808	337,438	-	-	7,822,246
Capital assets, net	\$5,982,637	\$(147,317)	\$(16,314)	\$ -	\$5,819,006

Construction in progress balance relates to the Pond Pump Station Upgrade project. This project is in the engineering phase.

For the year ended June 30, 2023, depreciation expense was \$337,438 and was charged to the following functions:

Public Utility	\$ 183,661
Sewer	153,777
	<u>\$ 337,438</u>

Construction Commitment

As of June 30, 2023, the Town has one outstanding contract commitment of \$393,461 for the Dudley Pump Station force main relocation.

4. Due from Other Governmental Agencies

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

	Governmental Activities
St. James Parish School Board	\$ 181,703
Governor's Office of Homeland Security	168,640
Louisiana Department of Treasury	88,644
	<u>\$ 438,987</u>

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

5. Receivables

Receivables as of June 30, 2023 for the Town's governmental and business-type funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-Type Activities	Total
Taxes receivable			
Property	\$ 5,500	\$ 1,408	\$ 6,908
Franchise	35,753	-	35,753
Total taxes receivable	41,253	1,408	42,661
Accounts receivable			
Charges for services	51,177	208,201	259,378
Other receivables			
Blighted property reimbursements	64,146	-	64,146
Other	7,452	-	7,452
Total other receivables	71,598	-	71,598
Less: allowance for uncollectible accounts	(50,026)	(4,709)	(54,735)
Total receivables	\$ 114,002	\$ 204,900	\$ 318,902

6. Long-Term Liabilities

The following is a summary of the changes in long-term obligations for the year ended June 30, 2023:

	Beginnin g Balance	Additions	Deletions	Ending Balance	Due within one year
<u>Governmental Activities:</u>					
Other:					
Compensated absences	\$ 30,806	\$ 15,433	\$ 40,159	\$ 6,080	\$ 6,080
Lease liability	-	76,020	14,902	61,118	30,254
Total governmental activities	30,806	91,453	55,061	67,198	36,334
<u>Business-Type Activities:</u>					
Direct borrowing and placement of debt:					
2013 Water Improvement bonds- general obligation bonds	715,000	-	55,000	660,000	56,000
2016 Water Improvement bonds general obligation bonds	263,441	-	15,000	248,441	16,000
Other:					
Compensated absences	6,081	5,795	8,237	3,639	3,639
Total business-type activities	984,522	5,795	78,237	912,080	75,639
	\$1,015,328	\$ 97,248	\$ 133,298	\$979,278	\$ 111,973

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

6. Long-Term Liabilities (continued)

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

Business-Type Activities:

Direct borrowing and placement:

\$1,500,000 General Obligation Bond Series 2013; issued on March 1, 2014; due in various semi-annual installments, including interest at 2.95%, through March 1, 2033. The outstanding note is secured by ad valorem taxes.	\$ 660,000
\$500,000 General Obligation Bond Series 2016; issued on March 1, 2017; due in various semi-annual installments, including interest at 2.95%, through March 1, 2036. The outstanding note is secured by ad valorem taxes.	248,441
	<u>\$ 908,441</u>

Debt service requirements on long-term debt as of June 30, 2023 is as follows:

<u>Bonds From Direct Borrowings and Placements</u>			
<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 72,000	\$ 26,934	\$ 98,934
2025	74,000	24,810	98,810
2026	77,000	22,627	99,627
2027	80,000	20,355	100,355
2028	83,000	17,995	100,995
2029-2033	458,000	51,566	509,566
2034-2038	64,441	4,130	68,571
	<u>\$ 908,441</u>	<u>\$ 168,417</u>	<u>\$ 1,076,858</u>

As part of the various bond agreements the Town has agreed to comply with certain covenants. The covenants consist, primarily, of reporting and auditing requirements, insurance coverage, restrictions on additional debt, maintenance of various deposit accounts, and other administrative requirements. The Town has classified restricted cash within its general ledger accounting system, and has maintained separate deposit accounts required by the covenants. These bonds are payable from ad valorem taxes.

7. Leases

The Town entered into an agreement as a lessee for the use of office space. As of June 30, 2023, the value of the lease liability is \$61,118. The Town is required to make monthly principal and interest payments totaling \$2,600. The lease has an interest rate of 2%.

The future principal and interest payments as of June 30, 2023, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 30,254	\$ 946	\$ 31,200
2025	30,864	336	31,200
Total	<u>\$ 61,118</u>	<u>\$ 1,282</u>	<u>\$ 62,400</u>

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

8. Ad Valorem Taxes

Ad valorem taxes attach as enforceable liens on all applicable property on February 28th of each year. Taxes are levied and are billed to the taxpayers in November of each year. Billed ad valorem taxes become delinquent on January 1st of the following calendar year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. James Parish. During the year ended June 30, 2023, taxes of 9.73 mills were levied on property with assessed valuations totaling \$21,046,940, and 5.99 mills are levied for general purposes. Within the 5.99 mills are funds designated for the repayment of the \$500,000 water improvement bonds. Additional taxes of 3.74 mills for the \$1.5 million water improvement bonds were levied on the same property for the purpose of accumulating enough funds to service the annual debt requirements as they become due. Levied mills expire at the expiration of each debt requirement.

Ad valorem taxes levied during the year ended June 30, 2023, totaled approximately \$207,000.

9. Transfers to/from Other Funds

Interfund transfers at June 30, 2023, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 117,685	\$ 325,000
Sales Tax Fund	-	26,425
ARP Fund	-	121,255
Public Utility Revenue Fund	278,915	152
Sewer Operating Fund	245,027	168,795
	<u>\$ 641,627</u>	<u>\$ 641,627</u>

10. Pension and Retirement Plans

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

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

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

MPERS:
 7722 Office Park Boulevard, Suite
 200
 Baton Rouge, LA 70809
 (225) 929-7411
 www.lampers.org

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

10. Pension and Retirement Plans (continued)

Plan Descriptions:

Municipal Employees' Retirement System of Louisiana (MERS)

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

Municipal Police Employees' Retirement System (MPERS)

MPERS is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The plan provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211- 11:2233.

Funding Policy

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

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

	Town	Employees
Municipal Employees' Retirement System Plan A		
Members hired prior to 01/01/2013	29.50%	10.00%
Members hired after 01/01/2013	29.50%	10.00%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all Hazardous Duty employees hired after 1/01/2013	31.25%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	31.25%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	34.00%	7.50%

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

10. Pension and Retirement Plans (continued)

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Municipal Employees' Retirement System Plan A	\$ 190,610	\$ 205,411	\$ 193,807
Municipal Police Employees' Retirement System	\$ 98,833	\$ 83,523	\$ 91,939

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

The following schedule lists the Town's proportionate share of the net pension liability allocated by each of the pension plans based on the June 30, 2022 measurement date. The Town uses this measurement to record its net pension liability and associated amounts as of June 30, 2023 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2022 along with the change compared to the June 30, 2021 rate. The Town's proportion of the net pension liability was based on the Town's contributions to the pension plan relative to all participating employers.

	<u>Net Pension Liability at June 30, 2022</u>	<u>Rate at June 30, 2022</u>	<u>Increase (Decrease) on June 30, 2021 Rate</u>
Municipal Employees' Retirement System Plan A	\$ 1,508,932	0.3633%	0.0315%
Municipal Police Employees' Retirement System	929,589	0.0909%	0.0016%
	<u>\$ 2,438,521</u>		

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

10. Pension and Retirement Plans (continued)

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

Municipal Employees' Retirement System Plan A	\$	182,298
Municipal Police Employees' Retirement System		183,771
	\$	<u>366,069</u>

At June 30, 2023, 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	\$ 6,368	\$ (13,353)
Changes of assumptions	46,684	(6,914)
Net difference between projected and actual earnings on pension plan investments	417,042	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	105,105	(65,397)
Employer contributions subsequent to the measurement date	289,443	-
Total	<u>\$ 864,642</u>	<u>\$ (85,664)</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement System Plan A	\$ 531,562	\$ (71,031)
Municipal Police Employees' Retirement System	333,080	(14,633)
	<u>\$ 864,642</u>	<u>\$ (85,664)</u>

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

10. Pension and Retirement Plans (continued)

The Town reported a total of \$289,443 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2022 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2023. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Municipal Employees' Retirement System Plan A	\$ 190,610
Municipal Police Employees' Retirement System	98,833
	<u>\$ 289,443</u>

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

Year	MERS	MPERS	Total
2023	\$ 44,430	\$ 64,188	\$ 108,618
2024	81,054	54,685	135,739
2025	24,027	13,684	37,711
2026	120,410	87,057	207,467
	<u>\$ 269,921</u>	<u>\$ 219,614</u>	<u>\$ 489,535</u>

Actuarial Assumptions

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

	<u>MERS</u>	<u>MPERS</u>
Valuation Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal cost
Actuarial Assumptions:		
Expected Remaining Service Lives	3 years	4 years
Investment Rate of Return	6.850% net of investment expenses, including inflation	6.750%

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

10. Pension and Retirement Plans (continued)

Inflation Rate	2.500%	2.500%
Mortality	<p>For annuitant and beneficiary, mortality tables used were PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.</p> <p>For employees, the PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.</p> <p>For disable live mortality, PubNS-2010(B) Disabled Retiree Table set equal to 120% males and females with the full generational MP2018 scale.</p>	<p>For healthy annuitant 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.</p> <p>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.</p> <p>For disable lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.</p>

Actuarial Assumptions (continued)

	<u>MERS</u>	<u>MPERS</u>
Salary Increases	<p>1-4 years of service: 6.4% - Plan A More than 4 years of service: 4.5% - Plan A</p>	<p>1-2 years of service: 12.3% - Plan A More than 2 years of service: 4.7% - Plan A</p>
Cost of Living Adjustments	<p>The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.</p>	<p>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.</p>

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

10. Pension and Retirement Plans (continued)

Actuarial Assumptions (continued)

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

MERS	MPERS
<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 of 2.60% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rates of return is 6.85% for the year ended June 30, 2022.</p>	<p>The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 of 2.66% and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long term rate of return is 8.06% for the year ended June 30, 2022.</p>

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

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public equity	53.0%	-	2.31%	-
Equity	-	55.5%	-	3.60%
Public fixed income	38.0%	-	1.65%	-
Fixed Income	-	30.5%	-	0.85%
Alternatives	9.0%	14.0%	0.39%	0.95%
Total	100.0%	100.0%	4.35%	5.40%
Inflation			2.50%	2.66%
Expected Arithmetic Nominal Return			6.85%	8.06%

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

10. **Pension and Retirement Plans** (continued)

Actuarial Assumptions (continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and MPERS was 6.850% and 6.750%, respectively, for the year ended June 30, 2022.

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:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Rates	5.850%	6.850%	7.850%
Town's Share of NPL	\$ 2,007,174	\$ 1,508,932	\$ 1,087,933
MPERS			
Rates	5.750%	6.750%	7.750%
Town's Share of NPL	\$ 1,301,246	\$ 929,589	\$ 619,132

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

10. Pension and Retirement Plans (continued)

Payables to the Pension Plan

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

	June 30, 2023
MERS	\$ 20,293
MPERS	11,840
	<u>\$ 32,133</u>

11. Restricted Assets

Under the terms of the bond indentures for the water revenue bonds and the sewer improvement refunding bonds, certain revenues are dedicated to the retirement of said bonds and are to be set aside into special accounts after provisions have been made for the payment of the reasonable and necessary expenses of operating and maintaining the utility systems totaling \$107,692.

In addition to the above, at June 30, 2023, the Town also has \$105,298 of cash restricted for the refunding of customer meter deposits.

12. Post-employment Health Care and Life Insurance Benefits

General Information about the OPEB Plan

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

Benefits Provided – Medical insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: attainment of Medical benefits is provided through a self-insured medical plan and are made available to employees upon actual retirement. The employees are covered by one of two retirement systems: first, the Municipal Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service; and second, the Municipal Police Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; age 50 and 20 years of services; or, age 55 and 12 years of service. For each system, employees hired on or after January 1, 2013 must meet the following retirement (D.R.O.P. entry) requirements: age 55 and 30 years of services; age 62 and 10 years of services; or age 67 and 7 years of services. Notwithstanding this, there is a minimum services requirement of 10 years for benefits.

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

12. Post-employment Health Care and Life Insurance Benefits

General Information about the OPEB Plan (continued)

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

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	19
	<u>21</u>

The Town's total OPEB liability of \$1,780,716 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

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

Inflation	3.0%
Salary increases	3.0%, including inflation
Prior Discount rate	3.54%
Discount rate	3.65% annually
Healthcare cost trend rates	5.5% annually until year 2032, then 4.5%

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

Mortality rates were based on the SOA RP-2014 Combined Table.

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

Changes in the Total OPEB Liability

Balance at June 30, 2022	<u>\$ 1,655,091</u>
Changes for the year:	
Service cost	39,681
Interest	59,293
Differences between expected and actual experience	71,875
Changes in assumptions	(33,241)
Benefit payments and net transfers	<u>(11,983)</u>
Net changes	125,625
Balance at June 30, 2023	<u>\$ 1,780,716</u>

The amount due within one year for the total OPEB liability is estimated to be \$13,000.

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

12. Post-employment Health Care and Life Insurance Benefits (continued)

Changes in the Total OPEB Liability (continued)

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

	1.0% Decrease (2.65%)	Current Discount Rate (3.65%)	1.0% Increase (4.65%)
Total OPEB liability	\$ 2,146,706	\$ 1,780,716	\$ 1,494,549

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 (4.50%) or 1-percentage-point higher (6.50%) than the current healthcare trend rates:

	1.0% Decrease (4.50%)	Health Cost Trend Rate (5.50%)	1.0% Increase (6.50%)
Total OPEB liability	\$ 1,487,345	\$ 1,780,716	\$ 2,155,221

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

For the year ended June 30, 2023, the Town recognized OPEB expense (benefit) of \$(5,444). At June 30, 2023, 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	\$ 172,160	\$ (516,458)
Change in assumptions	239,421	(495,509)
Total	<u>\$ 411,581</u>	<u>\$ (1,011,967)</u>

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

Years ending June 30:	
2024	\$ (104,418)
2025	(104,418)
2026	(104,418)
2027	(104,418)
2028	(104,419)
Thereafter	(78,295)
	<u>\$ (600,386)</u>

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

13. Tax Abatement

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

14. Detailed Restricted Net Position and Fund Balances

Details of restricted Net Position as reported in the government-wide Statement of Net Position are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position restricted for:			
Debt service for bonds	\$ -	\$ 107,692	\$ 107,692
Capital infrastructure improvements and police equipment	223,099	-	223,099
Total restricted net position	<u>\$ 223,099</u>	<u>\$ 107,692</u>	<u>\$ 330,791</u>

Details of nonspendable, restricted, and unassigned fund balances at year-end are as follows:

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Fund balances:			
Nonspendable:			
Prepaid insurance	\$ 204,019	\$ -	\$ 204,019
Restricted:			
Capital infrastructure improvements and police equipment	-	223,099	223,099
Unassigned	3,876,974	-	3,876,974
Total fund balances	<u>\$ 4,080,993</u>	<u>\$ 223,099</u>	<u>\$ 4,304,092</u>

TOWN OF GRAMERCY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

15. Current Accounting Standards Scheduled to be Implemented

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

GASB Statement 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. This Statement is intended to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Town will include the requirements of this standard, as applicable, in its June 30, 2024 financial statements. The effect of this standard or its applicability to the Town are unknown at this time.

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

REQUIRED SUPPLEMENTARY INFORMATION – PART II

TOWN OF GRAMERCY, LOUISIANA
SCHEDULE OF CHANGES IN TOTAL POST-EMPLOYMENT LIABILITY
AND RELATED RATIOS
YEAR ENDED JUNE 30, 2023

Financial statement reporting date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Service Cost	\$ 39,681	\$ 76,829	\$ 78,430	\$ 202,578	\$ 134,672	\$ 138,335
Interest	59,293	43,358	43,313	80,934	73,199	71,695
Difference between actual and expected experience	71,875	99,992	(83,411)	(824,530)	39,768	13,550
Changes of assumptions or other inputs	(33,241)	(524,222)	18,852	256,419	143,599	(108,145)
Benefit payments	(11,983)	(9,751)	(8,947)	(5,865)	(4,248)	(5,570)
Net change in total OPEB liability	125,625	(313,794)	48,237	(290,464)	386,990	109,865
Total OPEB liability - beginning	1,655,091	1,968,885	1,920,648	2,211,112	1,824,122	1,714,257
Total OPEB liability - ending	\$ 1,780,716	\$ 1,655,091	\$ 1,968,885	\$ 1,920,648	\$ 2,211,112	\$ 1,824,122
Covered employee payroll	\$ 998,822	\$ 964,876	\$ 780,219	\$ 757,494	\$ 997,110	\$ 968,068
Total OPEB liability as a percentage of covered employee payroll	178.28%	171.53%	252.35%	253.55%	221.75%	188.43%

See the accompanying notes to the required supplementary information.

Notes to Schedule:

<i>Benefit Changes:</i>	None	None	None	None	None	None
<i>Changes of Assumptions:</i>						
Discount Rate:	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%
Mortality:	RP-2014	RP-2014	RP-2014	RP-2014	RP-2000	RP-2000
Trend:	4.5% - 5.5%	4.5% - 5.5%	4.5% - 5.5%	4.5% - 5.5%	5.50%	5.50%

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB Plan

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

TOWN OF GRAMERCY, LOUISIANA
SCHEDULE OF THE TOWN OF GRAMERCY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023 (*)

	Employer's Proportion of the Net Pension Liability (Assets)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<u>MERS (Plan A)</u>					
2022	0.3633%	\$ 1,508,932	\$ 696,308	216.7047%	67.87%
2021	0.3318%	922,839	656,972	140.4685%	77.82%
2020	0.3765%	1,627,897	719,673	226.1995%	64.52%
2019	0.3859%	1,612,594	714,416	225.7218%	64.68%
2018	0.3574%	1,479,912	652,526	226.7972%	63.94%
2017	0.3585%	1,499,694	651,032	230.3564%	63.49%
2016	0.3387%	1,388,053	566,456	245.0416%	62.11%
2015	0.3371%	1,204,149	575,339	209.2938%	66.18%
2014	0.3715%	953,468	555,569	171.6201%	73.99%
<u>MPERS</u>					
2022	0.0909%	\$ 929,589	\$ 280,750	331.1092%	70.80%
2021	0.0893%	475,970	272,412	174.7243%	84.09%
2020	0.0864%	798,205	266,753	299.2300%	70.94%
2019	0.0816%	740,956	254,786	290.8150%	71.01%
2018	0.0788%	665,960	232,472	286.4689%	71.90%
2017	0.0797%	695,448	237,804	292.4459%	70.08%
2016	0.0744%	697,000	208,309	334.5991%	66.04%
2015	0.0680%	532,873	181,960	292.8517%	70.73%
2014	0.0605%	378,380	128,238	295.0607%	75.10%

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

(*) The amounts presented have a measurement date of June 30 for the year listed.

The two Retirement Systems reported in this schedule are as follows:

MERS (Plan A) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

See the accompanying notes to the required supplementary information.

TOWN OF GRAMERCY, LOUISIANA
SCHEDULE OF THE TOWN OF GRAMERCY'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023

	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Covered Payroll ³	Contribution as a % of Covered Payroll
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MERS (Plan A)

2023	\$ 190,610	\$ 190,610	\$ -	\$ 646,135	29.50%
2022	205,411	205,411	-	696,308	29.50%
2021	193,807	193,807	-	656,972	29.50%
2020	199,709	199,709	-	719,673	27.75%
2019	185,748	185,748	-	714,416	26.00%
2018	161,500	161,500	-	652,526	24.75%
2017	148,110	148,110	-	651,032	22.75%
2016	111,875	111,875	-	566,456	19.75%
2015	113,629	113,629	-	575,339	19.75%

MPERS

2023	\$ 98,833	\$ 98,833	\$ -	\$ 316,265	31.25%
2022	83,523	83,523	-	280,750	29.75%
2021	91,939	91,939	-	272,412	33.75%
2020	86,695	86,695	-	266,753	32.50%
2019	82,170	82,170	-	254,786	32.25%
2018	71,485	71,485	-	232,472	30.75%
2017	75,503	75,503	-	237,804	31.75%
2016	61,451	61,451	-	208,309	29.50%
2015	57,317	57,317	-	181,960	31.50%

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

For reference only:

¹ *Employer contribution rate multiplied by covered payroll*

² *Actual employer contributions remitted to retirement systems*

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

See the accompanying notes to the required supplementary information.

TOWN OF GRAMERCY, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO DEFINED PENSION

Changes in benefit terms:

There were no changes in benefit terms for the two pension plans listed for the years presented.

Changes in assumptions:

Municipal Employee's Retirement System (MERS)

Discount Rate:

Year End Measurement Date	Rate	Change
6/30/2023	6/30/2022	6.850%
6/30/2022	6/30/2021	6.950%
6/30/2021	6/30/2020	6.950%
6/30/2020	6/30/2019	7.000%
6/30/2019	6/30/2018	7.275%
6/30/2018	6/30/2017	7.325%
6/30/2017	6/30/2016	7.500%
6/30/2016	6/30/2015	7.500%
6/30/2015	6/30/2014	7.750%

Investment Rate of Return:

Year End Measurement Date	Rate	Change
6/30/2023	6/30/2022	6.850%
6/30/2022	6/30/2021	6.850%
6/30/2021	6/30/2020	6.950%
6/30/2020	6/30/2019	7.000%
6/30/2019	6/30/2018	7.275%
6/30/2018	6/30/2017	7.400%
6/30/2017	6/30/2016	7.500%
6/30/2016	6/30/2015	7.750%

Salary Increases:

Year End Measurement Date	Rate	Change
6/30/2023	6/30/2022	4.5% - 6.4%
6/30/2022	6/30/2021	4.5% - 6.4%
6/30/2021	6/30/2020	4.5% - 6.4%
6/30/2020	6/30/2019	4.5% - 6.4%
6/30/2019	6/30/2018	5.000%
6/30/2018	6/30/2017	5.000%
6/30/2017	6/30/2016	5.000%
6/30/2016	6/30/2015	5.750%

Inflation Rate:

Year End Measurement Date	Rate	Change
6/30/2023	6/30/2022	2.500%
6/30/2022	6/30/2021	2.500%
6/30/2021	6/30/2020	2.500%
6/30/2020	6/30/2019	2.500%
6/30/2019	6/30/2018	2.600%
6/30/2018	6/30/2017	2.775%
6/30/2017	6/30/2016	2.875%
6/30/2016	6/30/2015	2.875%

Municipal Police Employee's Retirement System (MPERS)

Discount Rate:

Year End Measurement Date	Rate	Change
6/30/2023	6/30/2022	6.750%
6/30/2022	6/30/2021	6.750%
6/30/2021	6/30/2020	6.950%
6/30/2020	6/30/2019	7.125%
6/30/2019	6/30/2018	7.200%
6/30/2018	6/30/2017	7.325%
6/30/2017	6/30/2016	7.500%
6/30/2016	6/30/2015	7.500%

Investment Rate of Return:

Year End Measurement Date	Rate	Change
6/30/2023	6/30/2022	6.750%
6/30/2022	6/30/2021	6.750%
6/30/2021	6/30/2020	6.950%
6/30/2020	6/30/2019	7.125%
6/30/2019	6/30/2018	7.200%
6/30/2018	6/30/2017	7.325%
6/30/2017	6/30/2016	7.500%
6/30/2016	6/30/2015	7.500%

Salary Increases including merit:

Year End Measurement Date	Rate	Change
6/30/2023	6/30/2022	2.2% - 9.8%
6/30/2022	6/30/2021	2.2% - 9.8%
6/30/2021	6/30/2020	2.2% - 9.8%
6/30/2020	6/30/2019	1.75% - 7.25%
6/30/2019	6/30/2018	1.65% - 7.15%
6/30/2018	6/30/2017	1.55% - 7.05%
6/30/2017	6/30/2016	1.375% - 6.875%
6/30/2016	6/30/2015	1.375% - 6.875%

Inflation Rate:

Year End Measurement Date	Rate	Change
6/30/2023	6/30/2022	2.500%
6/30/2022	6/30/2021	2.500%
6/30/2021	6/30/2020	2.500%
6/30/2020	6/30/2019	2.500%
6/30/2019	6/30/2018	2.600%
6/30/2018	6/30/2017	2.700%
6/30/2017	6/30/2016	2.875%
6/30/2016	6/30/2015	3.000%

TOWN OF GRAMERCY, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fav (Unfav)</u>
<u>REVENUES</u>				
Ad valorem taxes	\$ 125,000	\$ 125,000	\$ 127,227	\$ 2,227
Sales taxes	760,000	780,000	769,029	(10,971)
Garbage fees	250,000	234,163	236,338	2,175
Dumpster fees	4,000	-	-	-
Mosquito control	50,000	50,000	50,127	127
Franchise taxes	101,200	101,200	120,526	19,326
Licenses and permits	194,000	194,000	172,879	(21,121)
Intergovernmental revenues:				
Federal grants	-	725,000	450,136	(274,864)
State funds:				
Beer	5,000	5,000	3,440	(1,560)
Video poker	550,000	417,188	541,544	124,356
Local funds	625,000	75,000	75,000	-
Fines and forfeitures	60,000	30,000	26,039	(3,961)
Other	74,400	176,945	243,273	66,328
Total revenues	<u>2,798,600</u>	<u>2,913,496</u>	<u>2,815,558</u>	<u>(97,938)</u>
<u>EXPENDITURES</u>				
Current operating expenditures:				
General government	673,846	806,653	748,487	58,166
Streets	417,194	518,880	501,563	17,317
Public safety	769,463	798,587	792,483	6,104
Sanitation	274,000	319,177	325,056	(5,879)
Drainage	-	1,000	868	132
Capital Outlay	130,000	112,000	187,624	(75,624)
Total expenditures	<u>2,264,503</u>	<u>2,556,297</u>	<u>2,556,081</u>	<u>216</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	534,097	357,199	259,477	(97,722)
<u>OTHER FINANCING SOURCES (USES)</u>				
Lease proceeds	-	-	76,020	76,020
Transfers in	-	-	117,685	117,685
Transfers out	(575,000)	(325,000)	(325,000)	-
Total other financing sources	<u>(575,000)</u>	<u>(325,000)</u>	<u>(131,295)</u>	<u>193,705</u>
Change in fund balance	(40,903)	32,199	128,182	95,983
<u>FUND BALANCE</u>				
Beginning of year	4,324,481	3,952,811	3,952,811	-
End of year	<u>\$ 4,283,578</u>	<u>\$ 3,985,010</u>	<u>\$ 4,080,993</u>	<u>\$ 95,983</u>

TOWN OF GRAMERCY, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
SALES TAX FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Fav (Unfav)
<u>REVENUES</u>				
Sales taxes	\$ 380,000	\$ 380,000	\$ 375,399	\$ (4,601)
Other income	-	-	733	733
Total revenues	<u>380,000</u>	<u>380,000</u>	<u>376,132</u>	<u>(3,868)</u>
<u>EXPENDITURES</u>				
Current operating expenditures:				
Streets	100,000	-	98,333	(98,333)
Drainage	150,000	-	24,322	(24,322)
Public safety	25,000	25,000	10,097	14,903
Capital Outlay	215,000	455,000	258,009	196,991
Total expenditures	<u>490,000</u>	<u>480,000</u>	<u>390,761</u>	<u>89,239</u>
<u>EXCESS OF REVENUES</u>				
<u>UNDER EXPENDITURES</u>				
	(110,000)	(100,000)	(14,629)	85,371
<u>OTHER FINANCING USES</u>				
Transfers out	(25,000)	(25,000)	(26,425)	(1,425)
Total other financing uses	<u>(25,000)</u>	<u>(25,000)</u>	<u>(26,425)</u>	<u>(1,425)</u>
Change in fund balance	(135,000)	(125,000)	(41,054)	83,946
<u>FUND BALANCE</u>				
Beginning of year	280,665	265,153	264,153	1,000
End of year	<u>\$ 145,665</u>	<u>\$ 140,153</u>	<u>\$ 223,099</u>	<u>\$ 84,946</u>

TOWN OF GRAMERCY, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN FUND
YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fav (Unfav)</u>
<u>REVENUES</u>				
Federal grants	\$ 600,000	\$ 211,000	\$ 211,618	\$ 618
Total revenues	<u>600,000</u>	<u>211,000</u>	<u>211,618</u>	<u>618</u>
<u>EXPENDITURES</u>				
Current operating expenditures:				
Streets	50,000	-	-	-
Drainage	200,000	-	-	-
Capital outlay	250,000	90,000	90,363	(363)
Total expenditures	<u>500,000</u>	<u>90,000</u>	<u>90,363</u>	<u>(363)</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	100,000	121,000	121,255	255
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(670,000)	(121,000)	(121,255)	(255)
Total other financing uses	<u>(670,000)</u>	<u>(121,000)</u>	<u>(121,255)</u>	<u>(255)</u>
Change in fund balance	(570,000)	-	-	-
<u>FUND BALANCE</u>				
Beginning of year	607,000	607,000	-	607,000
End of year	<u>\$ 37,000</u>	<u>\$ 607,000</u>	<u>\$ -</u>	<u>\$ 607,000</u>

OTHER SUPPLEMENTARY INFORMATION

TOWN OF GRAMERCY, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF OTHER REVENUE
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>OTHER REVENUE</u>			
Interest revenues	\$ 1,500	\$ 99,369	\$ 113,664
Collection fees	500	176	176
Motor vehicle transaction fees	35,000	35,000	41,775
Rents and royalties	2,400	2,400	2,400
Miscellaneous	35,000	40,000	85,258
Total other revenue	<u>\$ 74,400</u>	<u>\$ 176,945</u>	<u>\$ 243,273</u>

TOWN OF GRAMERCY, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF EXPENDITURES
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>GENERAL GOVERNMENT</u>			
Legal and litigation fees	\$ 5,000	\$ 5,000	\$ 3,625
Salaries	190,200	199,255	201,248
Professional fees	38,000	54,715	52,646
Electricity	14,500	20,833	20,025
Insurance	138,146	122,700	125,971
Supplies and maintenance	61,500	171,571	126,619
Miscellaneous	5,000	8,000	7,944
Retirement	35,500	35,500	30,708
SCPCD-building permits	28,000	28,000	29,347
Office expenses	69,500	83,783	77,183
Payroll taxes	18,700	14,000	14,193
Vehicle expenses	32,200	33,200	35,570
Dues and subscriptions	25,000	8,496	6,922
Meetings and conventions	5,000	5,000	3,636
Planning commission	6,600	6,600	2,850
Bad debts	1,000	10,000	10,000
Total general government	<u>673,846</u>	<u>806,653</u>	<u>748,487</u>
<u>STREETS</u>			
Salaries	163,000	155,021	150,631
Miscellaneous	32,000	30,567	28,627
Retirement	35,000	30,373	29,228
Vehicle expenses	9,000	11,805	11,314
Uniforms	5,000	2,000	1,803
Insurance	68,194	57,310	53,882
Supplies and maintenance	40,000	136,604	128,656
Electricity	65,000	90,677	93,461
Payroll taxes	-	4,523	3,961
Total streets	<u>417,194</u>	<u>518,880</u>	<u>501,563</u>

TOWN OF GRAMERCY, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF EXPENDITURES
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>PUBLIC SAFETY</u>			
Police:			
Insurance	\$ 141,763	\$ 148,308	\$ 148,083
Uniforms	1,500	5,000	3,804
Retirement	90,000	95,741	98,821
Vehicle expenses	33,000	45,000	42,103
Salaries	434,500	412,855	419,793
Supplies and maintenance	42,500	63,999	58,705
Training expenses	4,000	-	-
Electricity	8,500	9,640	8,973
Payroll taxes	5,500	10,544	10,348
Miscellaneous	8,200	7,500	1,853
Total public safety	<u>769,463</u>	<u>798,587</u>	<u>792,483</u>
<u>SANITATION</u>			
Solid waste disposal	250,000	295,177	305,338
Dumpster expense	4,000	4,000	3,720
Mosquito control	20,000	20,000	15,998
Total sanitation	<u>274,000</u>	<u>319,177</u>	<u>325,056</u>
<u>DRAINAGE</u>			
Supplies and maintenance	-	1,000	868
Total drainage department	<u>-</u>	<u>1,000</u>	<u>868</u>
<u>CAPITAL OUTLAY</u>			
Capital expenditures	130,000	112,000	187,624
Total capital outlay	<u>130,000</u>	<u>112,000</u>	<u>187,624</u>
Total all departments	<u><u>\$ 2,264,503</u></u>	<u><u>\$ 2,556,297</u></u>	<u><u>\$ 2,556,081</u></u>

TOWN OF GRAMERCY, LOUISIANA
SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
FOR THE YEAR ENDED JUNE 30, 2023

Steven Nosacka, Mayor (7/1/2022 - 12/31/2022)	\$	23,400
Steven Bourgeois, Mayor (1/1/2023 - present)		18,000
Claude Wiggins		9,600
Barbara Woods (7/1/2022 - 12/31/2022)		4,800
Percy Williams (1/1/2023 - present)		4,800
Craig Calcagno		9,600
Darren Brack		9,600
Theron Louque		9,600
Brent Dicharry, Chief of Police		38,400
	\$	<u>127,800</u>

TOWN OF GRAMERCY, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2023

Agency Head Name/Title: Mayor Steven Nosacka (July 1, 2022 - December 31, 2022)

Purpose	<u>Amount</u>
Salary	\$ 23,400
Benefits - insurance	8,538
Benefits - retirement	6,903
Benefits - life	26
Conference - registration fees	250
Conference - travel	288
	<u>\$ 39,405</u>

Agency Head Name/Title: Mayor Steven Bourgeois (January 1, 2023 - present)

Purpose	<u>Amount</u>
Salary	\$ 18,000
	<u>\$ 18,000</u>

TOWN OF GRAMERCY
GRAMERCY, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE-COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED JUNE 30, 2023

	First Six Month Period Ended 12/31/22	Second Six Month Period Ended 6/30/23
Beginning Balance of Amounts Collected	\$ -	\$ -
Add Collections:		
Criminal Court Costs/Fees	3,998	7,476
Criminal Fines - Contempt	1,500	1,400
Criminal Fines - Other	5,302	9,239
Service/Collection Fees	104	225
Subtotal Collections	<u>10,904</u>	<u>18,340</u>
Less: Disbursements To Governments & Nonprofits:		
<i>Gramercy Mayors Court - La Commission on Law Enforcement</i>	-	39
<i>Gramercy Mayors Court - La Traumatic Head & Spinal Car Injury Trust Fund</i>	305	555
<i>Gramercy Mayors Court - LA Judicial College Form A</i>	31	56
<i>Gramercy Mayors Court - CMIS Form A</i>	183	336
<i>Gramercy Mayors Court - JDC Public Defender's Office (District Office)</i>	610	1,120
<i>Gramercy Mayors Court - JDC Public Defender's Office (Town)</i>	610	1,120
Less Amounts Retained by Collecting Agency		
Criminal Court Costs/Fees	2,259	4,250
Criminal Fines - Contempt	1,500	1,400
Criminal Fines - Other	5,302	9,239
Service/Collection Fees	104	225
Subtotal Disbursements/Retainage	<u>10,904</u>	<u>18,340</u>
Ending Balance of Amounts Collected but Not Disbursed	<u>\$ -</u>	<u>\$ -</u>

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Gramercy, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Gramercy, Louisiana, (the Town) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 29, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER, LLP
Donaldsonville, Louisiana
December 29, 2023



TOWN OF GRAMERCY, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness identified

_____ Yes X No

- Significant deficiency identified not considered to be a material weakness?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

TOWN OF GRAMERCY, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023

FINDINGS – FINANACIAL STATEMENT AUDIT

INTERNAL CONTROL

None.

COMPLIANCE WITH LAWS AND REGULATIONS

2022-001 LOCAL GOVERNMENT BUDGET ACT

Condition: The American Rescue Plan Fund of the Town is considered a special revenue fund. Management failed to prepare and adopt a budget for the American Rescue Plan Fund for the fiscal year ending June 30, 2022. Management made the proposed budget available for public inspection on June 17, 2021, which is less than fifteen days prior to the beginning of the fiscal year. Actual expenditures and other uses in the General Fund exceeded budgeted expenditures and other uses by more than five percent.

Current Status: Resolved.

FEDERAL AWARDS

2022-002 ENHANCEMENT OF POLICIES AND PROCEDURES FOR FEDERAL AWARDS

Condition: The written policies and procedures of the Town do not directly address all of the requirements under the Uniform Guidance for federal programs.

Current Status: Resolved.

OTHER INFORMATION (UNAUDITED)

TOWN OF GRAMERCY, LOUISIANA
INSURANCE-IN-FORCE SCHEDULE (Unaudited)
JUNE 30, 2023

<u>Type of Coverage</u>	<u>Name of Insurer</u>	<u>Expiration Date</u>	<u>Coverage Limits</u>
Automobile liability	Risk Management, Inc.	May 1, 2024	\$500,000
General liability	Risk Management, Inc.	May 1, 2024	\$500,000
Law enforcement liability	Risk Management, Inc.	May 1, 2024	\$500,000
Errors and omissions liability	Risk Management, Inc.	May 1, 2024	\$500,000
Workers' compensation	Louisiana Workers' Compensation Co.	May 1, 2024	Statutory
Position fidelity schedule bond	CNA Surety Western Surety Co.	October 1, 2024	\$50,000
Employment practices liability	Risk Management, Inc.	May 1, 2024	\$500,000
Commercial property	Axis Surplus Insurance Co.	May 1, 2024	Various limits

TOWN OF GRAMERCY, LOUISIANA
PUBLIC UTILITY SYSTEM OPERATIONS SCHEDULE (Unaudited)
JUNE 30, 2023

Statistics on System Operations

- (a) As of June 30, 2023 the number of metered customers was 1,405 for the water system and 1,340 for the sewer system. There were no unmetered customers for either the water or sewer systems at June 30, 2023.
- (b) The following rate schedules were in effect during the fiscal year ended June 30, 2023 for water and sewer services:

1. Water:

Residential

First 2,000 gallons or less	\$ 17.32 / 1,000 gallons
2,001 to 10,000 gallons	3.66
10,001 or more	3.33

Unincorporated Residential

First 2,000 gallons or less	\$ 21.31 / 1,000 gallons
2,001 to 10,000 gallons	3.66
10,001 or more	3.33

Small Business

First 2,000 gallons or less	\$ 26.64 / 1,000 gallons
2,001 to 10,000 gallons	3.66
10,001 or more	3.66

Large commercial and Industrial customers

Flat rate	\$ 4.66/1,000 gallons
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Unincorporated Industrial

Monthly availability charge	\$ 100.00
Usage rate	4.66/1,000 gallons

TOWN OF GRAMERCY, LOUISIANA
PUBLIC UTILITY SYSTEM OPERATIONS SCHEDULE (Unaudited)
JUNE 30, 2023

Statistics on System Operations (continued)

2. Sewer:	Rate per gallons of sewerage flow
Residential customers	\$19.98/month + \$1.00 / 1,000 gallons
Small commercial customers	\$28.75/month + \$1.00 / 1,000 gallons
Large commercial customers	\$53.28/month + \$1.00/ 1,000 gallons
Industrial customers	\$53.28/month + \$1.00 / 1,000 gallons \$1.00 per pound of BOD in excess of allowable limits

(c) Average monthly billing per residential customer during the year ended June 30, 2023:

- 1. Water \$ 31.46
- 2. Sewer \$ 25.79

EISNERAMPER

TOWN OF GRAMERCY
REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on
COMPLIANCE and CONTROL AREAS
FOR THE YEAR ENDED JUNE 30, 2023



TABLE OF CONTENTS

	<u>Page</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1
Schedule A: Agreed-Upon Procedures Performed and Associated Findings	2 - 16
Schedule B: Management's Response and Corrective Action Plan	17

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Alderpeople, Town of Gramercy and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 01, 2022 through June 30, 2023. Town of Gramercy's management is responsible for those C/C areas identified in the SAUPs.

Town of Gramercy has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 01, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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

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

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



EISNERAMPER, LLP
Donaldsonville, Louisiana
December 20, 2023

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

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

1) *Written Policies and Procedures*

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

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

No exception noted.

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

No exception noted.

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

No exception noted.

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The Entity’s receipts policy does not address preparing deposits. No other exceptions were noted.

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

No exception noted.

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

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

The Entity has written policies for Contracting; however, the policies do not contain attribute (2) standard terms and conditions. No other exceptions were noted.

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

No exception noted.

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

The Entity has written policies for Credit Cards; however, the policies do not contain attribute (5) monitoring card usage. No other exceptions were noted.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No exception noted.

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

No exception noted.

- 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.

The Entity's information technology disaster recovery/business continuity policy does not contain attribute (3) periodic testing/verification that backups can be restored or (5) timely application of all available software patches/updates. No other exceptions were noted.

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

The Entity has written policies for Sexual Harassment however the policy does not specifically address attribute (3) annual reporting. No other exceptions were noted.

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

2) Board or Finance Committee

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

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

No exception noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exception noted.

- 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.

We obtained the prior year audit report and observed the unassigned fund balance in the general fund. The general fund reported a positive unassigned fund balance; therefore, the remainder of this step is not applicable.

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

The board did not receive written updates of the progress of resolving audit findings according to management's corrective action plan.

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

3) Bank Reconciliations

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

A listing of bank accounts was provided and included a total of 10 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 bank accounts randomly selected) and obtained the bank reconciliations for the month ending March 31, 2023, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

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

No exception noted.

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

No exception noted.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Of the 5 bank accounts selected, 1 bank reconciliation had reconciling items that have been outstanding for more than 12 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

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

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4A was provided and included a total of 1 collection location. No exceptions were noted as a result of performing this procedure.

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

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

For the location selected the employees responsible for cash collections 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;

No exception noted.

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

In rare instances, the employee who normally posts collection entries to the general ledger will have to collect cash.

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

No exception noted.

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

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

No exception noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

Only one of the bank accounts had activity during the period selected for testing. We obtained supporting documentation for each of the 2 deposits and performed the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

For the 2 deposits selected for our procedures, 1 was not deposited within one business day of receipt at the collection location. No other exceptions were noted.

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

No exception noted.

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

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

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

The listing of locations that process payments for the fiscal period was provided and included only 1 location. No exceptions were noted as a result of performing this procedure.

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

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

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

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

No exception noted.

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

No exception noted.

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

No exception noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

The employee responsible for processing payments is also responsible for mailing the payments.

- 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.

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

No exception noted.

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

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

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

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

No exception noted.

- 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.

No exception noted.

- 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.

The entity does not make non-payroll-related electronic disbursements, therefore this procedure is not applicable.

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

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

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

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

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

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

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

No exception noted.

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

No exception noted.

- 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). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

We selected all transactions for 2 of the 5 cards selected in procedure #6B (3 fuel cards excluded) resulting in 9 transactions and performed the specified procedures. 2 of the 9 transactions tested lacked documentation of the business/public purpose.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, and obtain the related expense

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

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

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Of the 5 reimbursements selected for our procedures, 1 used a per diem. No exceptions noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

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

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

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

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Of the 5 contracts selected for our procedures, 1 was subject to Louisiana Public Bid Law. No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

9) Payroll and Personnel

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

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

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.

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

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

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

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

No exception noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exception noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exception noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exception noted.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exceptions were noted as a result of performing this procedure.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exception noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

- 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

For 1 of the 5 employees/officials selected for our procedures, documentation that the required ethics training was completed could not be obtained. No other exceptions were noted.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

It was asserted that employees were notified of changes to the ethics policy, however there was no documentation which demonstrated that they were notified.

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

No exception noted.

11) Debt Service

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

Not applicable as there was no bonds/notes issued during the fiscal period..

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

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

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

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

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.

A listing of misappropriations of public funds and assets during the fiscal period was provided which included none. No exceptions were noted as a result of performing this procedure.

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

No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

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

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from “Payroll and Personnel” procedure #9A, obtain sexual harassment training documentation from management, and observe that

**TOWN OF GRAMERCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exception noted.

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

No exception noted.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

The entity's annual sexual harassment report was provided and dated February 1, 2023. No exceptions were noted as a result of performing this procedure.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.



Town of Gramercy

"THE BEST LITTLE TOWN FOR MILES AROUND."

120 North Montz Street

P. O. Drawer 340

Gramercy, Louisiana 70052

Phone 225-869-4403 • FAX 225-869-4195



Steven J. Bourgeois
Mayor

Brent Dicharry
Police Chief

December 29, 2023

Eisner Amper LLP

P O Box 1190

Donaldsonville, LA 70346

The purpose of this communication is to respond to issues included in the Statewide Agreed-Upon Procedures (SAUPs) letter for the audit period which ended June 30, 2023.

A. Written Policies and Procedures

Corrective Action: Management has contacted Faulk and Winkler to enhance our written policies and procedures to cover all categories where exceptions were noted.

B. Board or Finance Committee

Management will give written updates of the progress of resolving audit findings.

C. Bank Reconciliations

Management will closely monitor bank reconciliations to ensure that outstanding items are documented and handled in a timely manner.

D. Collections

B i We do not have the facilities for 3 cash drawers/windows. We try to minimize the times the drawer is shared and balance at the end of the day.

B iii The Town Clerk will usually collect cash when the Utility Clerk is absent and the Town Accountant would only fill in on rare occasions or for lunch break.

D iv Deposits will be made within one business day of receipt. We plan to migrate to a new utility billing system and it should help with posting date conflicts.

Aldermen Dist 1
Percy Williams

Aldermen Dist 2
Darren Brack

Aldermen Dist 3
Theron Louque

Aldermen at Large
Craig Calcagno

Aldermen at Large
Claude Wiggins

E. Non-payroll Disbursements

9d & 10b The employee or official responsible for signing checks will give the checks to the utility clerk for mailing.

F. Credit Cards/Debit Cards/ Fuel Cards

13 We will ensure that all receipts are attached to the credit card bills.

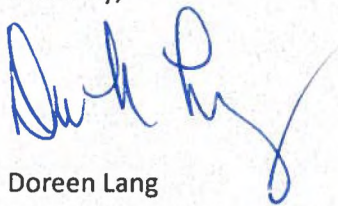
J. Ethics

A i We will implement a procedure with an employee checklist to ensure all employees have completed ethics training.

A ii We will implement a procedure to obtain written documentation showing employees/officials are notified of changes to the ethics policy during the fiscal year.

If you have questions regarding this plan, please call Doreen Lang at 225.869.4403.

Sincerely,



Doreen Lang
Town Accountant