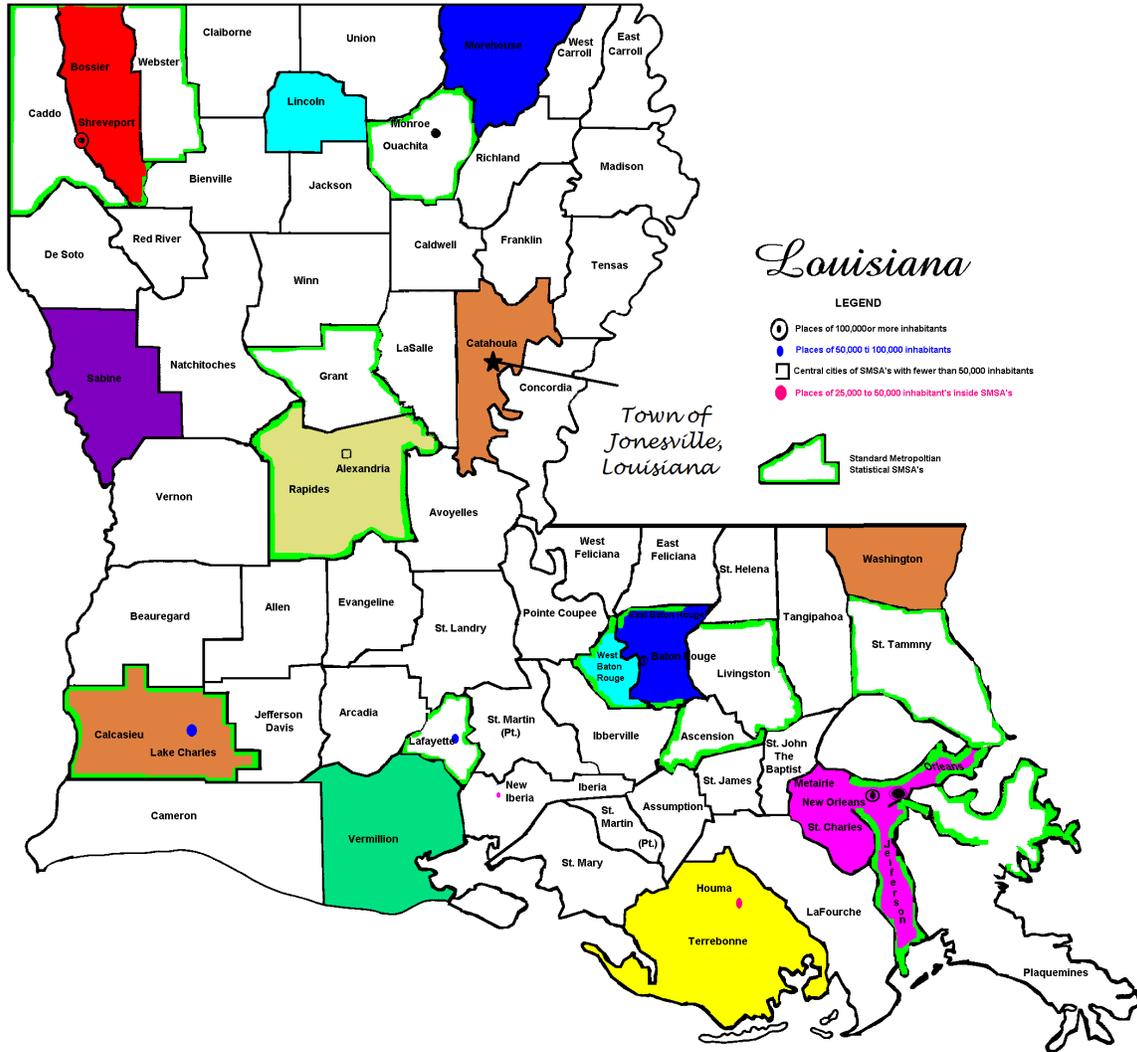


**TOWN OF JONESVILLE, LOUISIANA**

**Annual Financial Statements**

**June 30, 2022**

# TOWN OF JONESVILLE, LOUISIANA



The Town of Jonesville was incorporated under the Lawrason Act and operates under the Mayor-Town Council form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), streets, sanitation, recreation, public improvements, planning and zoning, provision of gas, electric, and water utilities, sewer services, airport facilities, and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

**TOWN OF JONESVILLE, LOUISIANA**  
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**June 30, 2022**

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## MEMBERS

American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

Association of  
Certified Fraud Examiners

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Loria Hollins, Mayor  
& Members of the Town Council  
Jonesville, LA

### **Report on 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 Jonesville, Louisiana, as of and for the year ended June 30, 2022, 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 of Jonesville, Louisiana, as of June 30, 2022, 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 the Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Jonesville and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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 of Jonesville, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

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

basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Jonesville’s basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer, Justice System Funding Schedule, and LCDBG schedule are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer, Justice System Funding Schedule, and LCDBG schedule are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer, Justice System Funding Schedule, and LCDBG Schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2023, on our consideration of the Town of Jonesville’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 of Jonesville’s internal control over financial reporting and compliance.

*The Vercher Group*

Jena, Louisiana  
May 25, 2023

# Town of Jonesville

PO Box 428

Jonesville, Louisiana 71343

Tel: (318) 339-8596

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the Town, we offer readers of the Town of Jonesville's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

### FINANCIAL HIGHLIGHTS

#### *Governmental Funds*

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$5,386,520 (*net position*). This is a \$555,239 increase from last year.
- The Town had total revenue of \$2,209,107 in which \$547,241 came from taxes and \$617,603 came from capital grants. This is a \$801,467 increase from last year's revenues, mainly due to an increase in capital grants in the amount of \$617,603.
- The Town had total expenditures of \$2,400,404, which is a \$571,743 increase from last year. This increase is due mainly to an increase in capital outlay in the amount of \$332,748.

#### *Enterprise Funds*

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$14,288,894 (*net position*). This is a \$146,202 decrease from last year.
- The Town had total revenue of \$3,957,022, including operating revenues of \$3,857,436, non-operating revenues of \$311, and capital contributions of \$99,275. This is a \$440,753 increase from last year. This increase is due mainly to an increase in electric and gas sales.
- The Town had total expenses of \$3,783,911, including operating expenses of \$3,677,501 and non-operating expenses of \$106,410. This is a \$512,247 increase from last year. An increase in utility purchases in the amount of \$419,899 is the main cause of this decrease.

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## MD&A

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### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Town is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

### **FUND FINANCIAL STATEMENTS**

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

### **USING THIS ANNUAL REPORT**

The Town's annual report consists of financial statements that show information about the Town's funds, enterprise funds and governmental funds.

Our accountant has provided assurance in his independent accountant's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

### **REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS**

The Town's financial statements provide detailed information about the most significant funds. The Town may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Town's enterprise fund uses the following accounting approach:

All of the Town's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

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## MD&A

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### GOVERNMENTAL FUNDS

#### Comparative Statement of Net Position

The following table represents a Comparative Statement of Net Position as of June 30, 2022:

	<u>2021</u>	<u>2022</u>	<u>% Change</u>
<b>ASSETS</b>			
Cash & Investments	\$ 65,820	\$ 195,700	197.3
Receivables	15,748	17,390	10.4
Restricted Assets	1,005,685	1,054,149	4.8
Capital Assets, Net of Accumulated Depreciation	<u>5,004,382</u>	<u>5,165,899</u>	3.2
<b>TOTAL ASSETS</b>	<u>6,091,635</u>	<u>6,433,138</u>	5.6
<b>LIABILITIES &amp; NET POSITION</b>			
Accounts, Salaries, & Other Payables	33,376	42,913	28.6
Other Liabilities	37,234	79,666	114.0
Notes & Bonds Payable – Current	266,220	271,651	2.0
Notes & Bonds Payable – Noncurrent	<u>923,524</u>	<u>652,388</u>	-29.3
<b>TOTAL LIABILITIES</b>	<u>1,260,354</u>	<u>1,046,618</u>	-17.0
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,814,638	4,241,860	11.2
Restricted	739,465	782,498	5.8
Unrestricted	<u>277,178</u>	<u>362,162</u>	30.7
<b>TOTAL NET POSITION</b>	<u>\$ 4,831,281</u>	<u>\$ 5,386,520</u>	11.5

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**MD&A**

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**GOVERNMENTAL FUNDS**

**Comparative Changes in Fund Balances**

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2022:

	<u>2021</u>	<u>2022</u>	<u>% Change</u>
<b>REVENUES</b>			
Taxes	\$ 522,242	\$ 547,241	4.8
Licenses and Permits	163,256	193,047	18.3
Rentals	25,286	22,370	-11.5
Charges for Services	129,290	133,975	3.6
Fines and Forfeitures	143,471	215,007	49.9
Capital Grants	-0-	617,603	100.0
Intergovernmental	338,326	376,733	11.4
Other	85,595	102,908	20.2
<b>TOTAL REVENUES</b>	<u>1,407,466</u>	<u>2,208,884</u>	56.9
<b>EXPENDITURES</b>			
General & Administrative	333,459	584,164	75.2
Public Safety	417,350	409,100	-2.0
Public Works	647,335	637,338	-1.6
Recreation	1,000	17	-98.3
Airport	9,075	35,448	290.6
Capital Outlay	106,766	439,514	311.7
Debt Service	313,676	294,823	-6.0
<b>TOTAL EXPENDITURES</b>	<u>1,828,661</u>	<u>2,400,404</u>	31.3
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(421,195)</u>	<u>(191,520)</u>	-54.5
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest Income	174	223	28.2
Transfers In (Out)	439,167	319,314	-27.3
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>439,341</u>	<u>319,537</u>	-27.3
<b>NET CHANGE IN FUND BALANCE</b>	18,146	128,017	605.5
<b>FUND BALANCES--BEGINNING</b>	998,497	1,016,643	1.8
<b>FUND BALANCES--ENDING</b>	<u>\$ 1,016,643</u>	<u>\$ 1,144,660</u>	12.6

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## MD&A

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### ENTERPRISE FUNDS

#### Comparative Statement of Net Position

The following table represents a Comparative Statement of Net Position as of June 30, 2022:

	<u>2021</u>	<u>2022</u>	<u>% Change</u>
<b>ASSETS</b>			
Cash	\$ 97,315	\$ 195,502	100.9
Receivables	166,399	122,675	-26.2
Restricted Assets	1,195,528	1,246,253	4.3
Capital Assets, Net of Accumulated Depreciation	19,877,166	19,653,701	-1.1
<b>TOTAL ASSETS</b>	<u>21,336,408</u>	<u>21,218,131</u>	-0.5
<b>LIABILITIES AND NET POSITION</b>			
Accounts, Salaries, & Other Payables	41,012	70,991	73.1
Accrued Liabilities	62,025	60,128	-3.1
Customer Deposits	193,821	153,419	-20.9
Lease Payable - Current Portion	-0-	59,316	100.0
Notes & Bonds Payable – Current Portion	223,000	233,000	4.5
Lease Payable – Noncurrent Portion	-0-	212,551	100.0
Notes & Bonds Payable – Noncurrent Portion	6,381,454	6,139,832	-3.8
<b>TOTAL LIABILITIES</b>	<u>6,901,312</u>	<u>6,929,237</u>	0.4
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,272,712	13,068,318	-1.5
Restricted	710,920	727,762	2.4
Unrestricted	451,464	492,814	9.2
<b>TOTAL NET POSITION</b>	<u>\$ 14,435,096</u>	<u>\$ 14,288,894</u>	-1.0

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## MD&A

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### ENTERPRISE FUNDS

#### Comparative Changes in Net Position

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2022:

	<u>2021</u>	<u>2022</u>	<u>% Change</u>
<b>OPERATING REVENUES</b>			
Electric Sales	\$ 2,361,826	\$ 2,555,769	8.2
Gas Sales	401,445	590,062	47.0
Water Sales	343,386	332,965	-3.0
Sewer Sales	354,260	324,657	-8.4
Other Fees/Charges	54,859	53,983	-1.6
<b>TOTAL OPERATING REVENUES</b>	<u>3,515,776</u>	<u>3,857,436</u>	9.7
<b>OPERATING EXPENSES</b>			
Utility Purchases	1,633,197	2,053,096	25.7
Administration/Personnel	266,391	307,589	15.5
Repairs and Maintenance	103,916	231,275	122.6
Materials & Supply	112,269	22,914	-79.6
Utilities	73,157	75,553	3.3
Other Operating Expenses	415,828	431,344	3.7
Depreciation	527,241	555,730	5.4
<b>TOTAL OPERATING EXPENSES</b>	<u>3,131,999</u>	<u>3,677,501</u>	17.4
<b>OPERATING INCOME (LOSS)</b>	<u>383,777</u>	<u>179,935</u>	-53.1
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Earnings	493	311	-36.9
Interest Expense	(139,665)	(106,410)	-23.4
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(139,172)</u>	<u>(106,098)</u>	-23.4
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	244,605	73,837	-69.8
Transfers In/(Out)	(439,167)	(319,314)	-27.3
Capital Contributions	-0-	99,275	100.0
<b>CHANGE IN NET POSITION</b>	(194,562)	(146,202)	-24.9
<b>TOTAL NET POSITION – BEGINNING</b>	<u>14,629,658</u>	<u>14,435,096</u>	-1.3
<b>TOTAL NET POSITION – ENDING</b>	<u>\$ 14,435,096</u>	<u>\$ 14,288,894</u>	-1.0

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**MD&A**

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**CAPITAL ASSETS & LONG-TERM DEBT**

*Capital Assets – Governmental Fund*

At June 30, 2022, the Town had \$5,165,899 invested in capital assets, including the following:

**Capital Assets at Year-End**

	<u>2021</u>	<u>2022</u>
Land*	\$ 422,850	\$ 422,850
Buildings	1,079,801	1,104,931
Land Improvements	3,138,784	3,395,482
Machinery & Equipment	2,570,699	2,663,360
Vehicles	761,843	826,868
Accumulated Depreciation	(2,969,595)	(3,247,592)
<b>Total</b>	<u>\$ 5,004,382</u>	<u>\$ 5,165,899</u>

\*Land in the amount of \$422,850 is not being depreciated.

*Capital Assets – Enterprise Fund*

At June 30, 2022, the Town had \$19,653,701 invested in capital assets, including the following:

**Capital Assets at Year-End**

	<u>2021</u>	<u>2022</u>
Land*	\$ 21,612	\$ 21,612
Buildings	11,579	11,579
Plant and Equipment	28,224,771	28,557,067
Accumulated Depreciation	(8,380,796)	(8,936,527)
<b>Total</b>	<u>\$ 19,877,166</u>	<u>\$ 19,653,701</u>

\*Land in the amount of \$21,612 is not being depreciated.

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## MD&A

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### *Long-Term Obligations – General Fund*

The following is a summary of long-term obligation transactions for the year ended June 30, 2022:

	<b>Bonds Payable</b>	<b>Notes Payable</b>	<b>Total</b>
Long-term obligations at beginning of year	\$ 1,171,803	\$ 17,940	\$ 1,189,743
Additions to principal	-0-	-0-	-0-
Repayment of principal	<u>(255,216)</u>	<u>(10,489)</u>	<u>(265,705)</u>
Long-term obligations at end of year	\$ 916,587	\$ 7,451	\$ 924,038
Less current portion	<u>(264,200)</u>	<u>(7,451)</u>	<u>(271,651)</u>
Long-term portion	<u>\$ 652,387</u>	<u>\$ -0-</u>	<u>\$ 652,387</u>

### *Long-Term Obligations – Enterprise Fund*

The following is a summary of long-term obligation transactions for the year ended June 30, 2022:

	<b>Bonds Payable</b>	<b>Notes Payable</b>	<b>Lease Payable</b>	<b>Total</b>
Long-term obligations at beginning of year	\$ 6,484,029	\$ 118,803	\$ -0-	6,602,832
Additions to principal	-0-	-0-	296,580	296,580
Repayment of principal	<u>(227,000)</u>	<u>(3,000)</u>	<u>(24,713)</u>	<u>(254,713)</u>
Long-term obligations at end of year	\$ 6,257,029	\$ 115,803	\$ 271,867	6,644,699
Less current portion	<u>(229,000)</u>	<u>(4,000)</u>	<u>(59,316)</u>	<u>(292,316)</u>
Long-term portion	<u>\$ 6,028,029</u>	<u>\$ 111,803</u>	<u>\$ 212,551</u>	<u>6,352,383</u>

### **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Loria Hollins, Mayor, at the Town of Jonesville, phone (318) 339-8596.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF JONESVILLE, LOUISIANA**  
**Statement of Net Position**  
**June 30, 2022**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS- TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>CURRENT ASSETS</b>			
Cash	\$ 195,700	\$ 195,502	\$ 391,202
Receivables (Net of Allowances for Uncollectible)	17,390	122,675	140,065
<b>TOTAL CURRENT ASSETS</b>	<u>213,090</u>	<u>318,177</u>	<u>531,267</u>
<b>NON-CURRENT ASSETS</b>			
Restricted Assets	1,054,149	1,246,253	2,300,402
Capital Assets (Net of Accumulated Depreciation)	5,165,899	19,653,701	24,819,600
<b>TOTAL NON-CURRENT ASSETS</b>	<u>6,220,048</u>	<u>20,899,954</u>	<u>27,120,002</u>
<b>TOTAL ASSETS</b>	<u>6,433,138</u>	<u>21,218,131</u>	<u>27,651,269</u>
<b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	42,913	108,552	151,465
Accrued Liabilities	79,666	10,376	90,042
Customer Deposits	-0-	153,419	153,419
Accrued Interest	-0-	12,191	12,191
Lease Payable, Current	-0-	59,316	59,316
Notes Payable, Current	7,451	4,000	11,451
Bonds Payable, Current	264,200	229,000	493,200
<b>TOTAL CURRENT LIABILITIES</b>	<u>394,230</u>	<u>576,854</u>	<u>971,084</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease Payable	-0-	212,551	212,551
Notes Payable	-0-	111,803	111,803
Bonds Payable	652,388	6,028,029	6,680,417
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>652,388</u>	<u>6,352,383</u>	<u>7,004,771</u>
<b>TOTAL LIABILITIES</b>	<u>1,046,618</u>	<u>6,929,237</u>	<u>7,975,855</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,241,860	13,068,318	17,310,178
Restricted	782,498	727,762	1,510,260
Unrestricted	362,162	492,814	854,976
<b>TOTAL NET POSITION</b>	<u>\$ 5,386,520</u>	<u>\$ 14,288,894</u>	<u>\$ 19,675,414</u>

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

	PROGRAM REVENUES				NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Capital Grants & Contributions	Net (Expenses) Revenue	Governmental Activities	Business Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ (643,236)	\$ 193,047	\$ 419,852	\$ (30,337)	(30,337)		\$ (30,337)
Public Safety:							
Police	(426,673)	-0-	50,000	(376,673)	(376,673)		(376,673)
Fire	-0-	-0-	-0-	-0-	-0-		-0-
Public Works:							
Streets	(599,081)	-0-	147,751	(451,330)	(451,330)		(451,330)
Sanitation	(142,220)	133,975	-0-	(8,245)	(8,245)		(8,245)
Recreation	(1,875)	-0-	-0-	(1,875)	(1,875)		(1,875)
Airport	(130,980)	-0-	-0-	(130,980)	(130,980)		(130,980)
Interest on Long-Term Debt	(29,117)	-0-	-0-	(29,117)	(29,117)		(29,117)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>(1,973,182)</u>	<u>327,022</u>	<u>617,603</u>	<u>(1,028,557)</u>	<u>(1,028,557)</u>		<u>(1,028,557)</u>
<b>BUSINESS TYPE ACTIVITIES</b>							
Electric	(2,048,791)	2,561,652	72,435	585,296		\$ 585,296	585,296
Water	(413,222)	381,065	19,800	(12,357)		(12,357)	(12,357)
Gas	(721,972)	590,062	7,040	(124,870)		(124,870)	(124,870)
Sewer	(493,516)	324,657	-0-	(168,859)		(168,859)	168,859
Interest on Long-Term Debt	(106,410)	-0-	-0-	(106,410)		(106,410)	(106,410)
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>	<u>(3,783,911)</u>	<u>3,857,436</u>	<u>99,275</u>	<u>172,800</u>		<u>172,800</u>	<u>172,800</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ (5,757,093)</u>	<u>\$ 4,184,458</u>	<u>\$ 716,878</u>	<u>\$ (855,757)</u>			<u>(855,757)</u>
<b>GENERAL REVENUES</b>							
Taxes:							
					83,637	-0-	83,637
					463,604	-0-	463,604
					215,007	-0-	215,007
					22,370	-0-	22,370
					376,733	-0-	376,733
					223	312	535
					102,908	-0-	102,908
					319,314	(319,314)	-0-
					<u>1,583,796</u>	<u>(319,002)</u>	<u>1,264,794</u>
<b>CHANGE IN NET POSITION</b>							
					555,239	(146,202)	409,037
<b>NET POSITION - BEGINNING</b>							
					<u>4,831,281</u>	<u>14,435,096</u>	<u>19,266,377</u>
<b>NET POSITION - ENDING</b>							
					<u>\$ 5,386,520</u>	<u>\$ 14,288,894</u>	<u>\$ 19,675,414</u>

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Balance Sheet, Governmental Funds**  
**June 30, 2022**

	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUND</b>	<b>DEBT SERVICE FUND</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 195,700	\$ -0-	\$ -0-	\$ 195,700
Receivables (Net of Allowances for Uncollectable)	17,390	-0-	-0-	17,390
Restricted Cash and Cash Equivalents	232,425	774,710	47,014	1,054,149
<b>TOTAL ASSETS</b>	<b>445,515</b>	<b>774,710</b>	<b>47,014</b>	<b>1,267,239</b>
<b>LIABILITIES</b>				
Accounts, Salaries, and Other Payables	42,913	-0-	-0-	42,913
Accrued Liabilities	79,666	-0-	-0-	79,666
<b>TOTAL LIABILITIES</b>	<b>122,579</b>	<b>-0-</b>	<b>-0-</b>	<b>122,579</b>
<b>FUND BALANCES</b>				
Restricted	232,425	774,710	47,014	1,054,149
Unassigned	90,511	-0-	-0-	90,511
<b>TOTAL FUND BALANCES</b>	<b>322,936</b>	<b>774,710</b>	<b>47,014</b>	<b>1,144,660</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 445,515</b>	<b>\$ 774,710</b>	<b>\$ 47,014</b>	<b>\$ 1,267,239</b>

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Reconciliation of the Government Funds Balance Sheet**  
**to the Government-Wide Financial Statement of Net Position**  
**June 30, 2022**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds (Statement C)	\$ 1,144,660
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Governmental Capital Assets	8,413,491
Less Accumulated Depreciation	<u>(3,247,592)</u>
	5,165,899
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
	<u>(924,039)</u>
Net Position of Governmental Activities (Statement A)	\$ <u>5,386,520</u>

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Statement of Revenues, Expenditures &**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

	<u>GENERAL</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL</u>
<b>REVENUES</b>				
Taxes:				
Ad Valorem Tax	\$ 83,637	\$ -0-	\$ -0-	\$ 83,637
Sales Tax	-0-	463,604	-0-	463,604
Licenses and Permits	193,047	-0-	-0-	193,047
Rentals	22,370	-0-	-0-	22,370
Charges for Services	133,975	-0-	-0-	133,975
Fines and Forfeitures	215,007	-0-	-0-	215,007
Intergovernmental	376,733	-0-	-0-	376,733
Capital Grants	617,603	-0-	-0-	617,603
Other	102,908	-0-	-0-	102,908
<b>TOTAL REVENUES</b>	<u>1,745,280</u>	<u>463,604</u>	<u>-0-</u>	<u>2,208,884</u>
<b>EXPENDITURES</b>				
General	\$ 584,164	-0-	-0-	584,164
Public Safety:				
Police	409,100	-0-	-0-	409,100
Fire	-0-	-0-	-0-	-0-
Public Works:				
Streets	485,631	8,387	1,100	495,118
Sanitation	142,220	-0-	-0-	142,220
Recreation	17	-0-	-0-	17
Airport	35,448	-0-	-0-	35,448
Capital Outlay	439,514	-0-	-0-	439,514
Debt Service	21,523	-0-	273,300	294,823
<b>TOTAL EXPENDITURES</b>	<u>2,117,617</u>	<u>8,387</u>	<u>274,400</u>	<u>2,400,404</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(372,337)</u>	<u>455,217</u>	<u>(274,400)</u>	<u>(191,520)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interest Income	223	-0-	-0-	223
Transfers In (Out)	491,896	(449,965)	277,383	319,314
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>492,119</u>	<u>(449,965)</u>	<u>277,383</u>	<u>319,537</u>
<b>NET CHANGE IN FUND BALANCE</b>	119,782	5,252	2,983	128,017
<b>FUND BALANCES--BEGINNING</b>	<u>203,154</u>	<u>\$ 769,458</u>	<u>\$ 44,031</u>	<u>\$ 1,016,643</u>
<b>FUND BALANCES--ENDING</b>	<u>\$ 322,936</u>	<u>\$ 774,710</u>	<u>\$ 47,014</u>	<u>\$ 1,144,660</u>

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**& Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2022**

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ 128,017

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

	Capital Outlay	439,514	
	Depreciation Expense	(277,998)	
		161,516	161,516

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

	Loan Proceeds	-0-	
	Principal Paid	265,706	
		265,706	265,706

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

-0-

Changes in Net Position of Governmental Activities, Statement B \$ 555,239

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Statement of Net Position, Proprietary Funds**  
**June 30, 2022**

	<b>BUSINESS-TYPE ACTIVITIES</b>
	<b>ENTERPRISE FUND</b>
<b>CURRENT ASSETS</b>	
Cash & Cash Equivalents	\$ 195,502
Receivables (Net of Allowances for Uncollectible)	122,675
<b>TOTAL CURRENT ASSETS</b>	318,177
 <b>NON-CURRENT ASSETS</b>	
Restricted Assets	1,246,253
Capital Assets (Net of Accumulated Depreciation)	19,653,701
<b>TOTAL NON-CURRENT ASSETS</b>	20,899,954
 <b>TOTAL ASSETS</b>	21,218,131
 <b>CURRENT LIABILITIES</b>	
Accounts, Salaries, & Other Payables	108,552
Accrued Liabilities	10,376
<b>TOTAL CURRENT LIABILITIES</b>	118,928
 <b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	
Customer Deposits	153,419
Accrued Interest	12,191
Lease Payable – Current Portion	59,316
Notes Payable – Current Portion	4,000
Bonds Payable – Current Portion	229,000
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	457,926
 <b>NON-CURRENT LIABILITIES</b>	
Lease Payable	212,551
Notes Payable	111,803
Bond Payable (Net of Discount)	6,028,029
<b>TOTAL NON-CURRENT LIABILITIES</b>	6,352,383
 <b>TOTAL LIABILITIES</b>	6,929,237
 <b>NET POSITION</b>	
Net Investment in Capital Assets	13,068,318
Restricted	727,762
Unrestricted	492,814
<b>TOTAL NET POSITION</b>	\$ 14,288,894

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Statement of Revenues, Expenses & Changes in Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	<b>BUSINESS-TYPE ACTIVITIES</b>
	<b>ENTERPRISE FUND</b>
<b>OPERATING REVENUES</b>	
Electric Sales	\$ 2,555,769
Gas Sales	590,062
Water Sales	332,965
Sewer Sales	324,657
Other Fees/Charges	53,983
<b>TOTAL OPERATING REVENUES</b>	<b>3,857,436</b>
<b>OPERATING EXPENSES</b>	
Utility Purchases	2,053,096
Administration/Personnel	307,589
Repairs and Maintenance	231,275
Materials and Supplies	22,914
Utilities	75,553
Other Operating Expenses	431,344
Depreciation	555,730
<b>TOTAL OPERATING EXPENSES</b>	<b>3,677,501</b>
<b>OPERATING INCOME (LOSS)</b>	<b>179,935</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest Earnings	312
Interest Expense	(106,410)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(106,098)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	<b>73,837</b>
Transfers In/(Out)	(319,314)
Capital Contributions	99,275
<b>CHANGE IN NET POSITION</b>	<b>(146,202)</b>
<b>TOTAL NET POSITION – BEGINNING</b>	<b>14,435,096</b>
<b>TOTAL NET POSITION – ENDING</b>	<b>\$ 14,288,894</b>

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**June 30, 2022**

	<b>BUSINESS-TYPE ACTIVITIES</b>
	<b>ENTERPRISE FUND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers & Users	\$ 3,901,160
Payments to Suppliers	(2,826,502)
Payments to Employees	(307,589)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>767,069</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers In (Out)	(319,314)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(319,314)</b>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	
Contributions & Grants	99,275
Construction of Capital Assets	(332,266)
Additions to Capital Debt	296,580
Interest Paid on Capital Debt	(108,031)
Principal Paid on Capital Debt	(254,713)
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<b>(299,155)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest & Dividends Received	312
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>312</b>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>148,912</b>
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>1,292,843</b>
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>	<b>1,441,755</b>
<b>RECONCILIATION TO BALANCE SHEET</b>	
Cash and Cash Equivalents	179,221
Restricted Cash	1,262,534
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>1,441,755</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating Income (Loss)	179,935
Depreciation Expense	555,730
(Increase) Decrease in Accounts Receivable	43,724
Increase (Decrease) in Accounts Payables	67,540
Increase (Decrease) in Accrued Liabilities	(39,458)
Increase (Decrease) in Accrued Interest	-0-
Increase (Decrease) Customer Deposits	(40,402)
<b>TOTAL ADJUSTMENTS</b>	<b>587,134</b>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 767,069</b>

The accompanying notes are an integral part of this statement.

**NOTES  
TO THE BASIC  
FINANCIAL STATEMENTS**

## TOWN OF JONESVILLE, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### **(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Jonesville, Louisiana was incorporated December 16, 1903, under the provisions of the Lawrason Act. The Town operates under the Mayor-Town Council form of government and provides the following services as authorized by the Act: public safety (police and fire); streets; sanitation; recreation; public improvements; planning and zoning; provision of gas, electric, and water utilities; sewer services; airport facilities; and general services.

The accounting and reporting policies of the Town of Jonesville conform to generally accepted accounting principles as applicable to governments.

GASB Statement 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary governing body, is legally separate, and is fiscally independent means that the municipality may, without the approval or consent of another government entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

The following is a summary of certain significant accounting policies:

#### **A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

## TOWN OF JONESVILLE, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

#### **B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The municipality reports the following major governmental funds:

- The general fund is the municipality's primary operating fund. It accounts for all financial resources and expenditures of the general government, except those required to be accounted for in a special revenue fund.
- The special revenue fund is used to account for all financial resources and expenditures of street improvements.
- The debt service fund is used to account for the accumulation of monies from dedicated sales tax for the payment of sales tax bonds issued for street improvements.

The municipality reports the following major proprietary fund:

The utility fund is used to account for the provision of gas, electric, and water utilities, as well as sewer services to residents of the Town and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service and billing and collection.

## TOWN OF JONESVILLE, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

#### C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their 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.

Unrestricted Net Position - All other net positions that does not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The Town has implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the purposes for which resources can be used:

## TOWN OF JONESVILLE, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

#### **D. CASH & CASH EQUIVALENTS**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition. State law and the municipality's investments policy allow the municipality to invest in collateralized certificate of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Town. For the purpose of the proprietary fund Statement of Cash Flows, "Cash and Cash Equivalents" include all demand and savings accounts, and certificates of deposit under 90 days.

#### **E. RECEIVABLES & PAYABLES**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**F. AD VALOREM TAXES**

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following shows the amount of authorized and levied ad valorem taxes on property with assessed valuations totaling \$9,646,719.

General purposes	8.670 mills
Total taxes levied	\$83,636

**G. INVENTORIES**

For both governmental and proprietary funds, purchase of various operating supplies are regarded as expenditures or expenses at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. For the year ending June 30, 2022, these amounts were considered to be immaterial.

**H. RESTRICTED ASSETS**

Restricted assets include cash and cash investments, which are restricted for the following.

- Restricted assets were applicable to the following at June 30, 2022:

	<b>Governmental</b>
Bond Sinking/Reserve/Contingencies	\$ 215,828
Grant/Construction	63,611
Sales Tax	774,710
<b>Total</b>	<b>\$ 1,054,149</b>
	<b>Enterprise</b>
Customer Deposits	\$ 273,300
Bond Sinking/Reserve/Contingencies	972,953
Grant/Construction	-0-
<b>Total</b>	<b>\$ 1,246,253</b>

**I. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if the historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town of Jonesville maintains a threshold level of \$2,500 or more for capitalizing capital assets.

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

For the year ended June 30, 2022, no interest costs were capitalized for construction of fixed assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Governmental Activities</u>	<u>Life In Years</u>
Land Improvements	30
Buildings	40
Machinery and Equipment	5-20
Vehicles	5-15
<u>Business-Type Activities/Enterprise</u>	<u>Life In Years</u>
Buildings	25
Infrastructure	20-50
Machinery and Equipment	5-20
Vehicles	5-15

**J. COMPENSATED ABSENCES**

The liability for compensated absences has not been accrued because the amount is considered to be immaterial.

**K. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**L. NEW ACCOUNTING PRONOUNCEMENT**

In June of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities of leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are

## TOWN OF JONESVILLE, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

#### M. FUND EQUITY

In the fund equity statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### N. USE OF ESTIMATES

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

#### (2) CASH & CASH EQUIVALENTS

##### *Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity's name.

##### *Deposits*

It is the Town's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at year end. The categories are described as follows:

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

- *Category 1* – Insured or collateralized with securities held by the Town or by its agent in the Town’s name.
- *Category 2* – Collateralized with securities held by the pledging financial institution’s trust department or agent in the Town’s name.
- *Category 3* – Uncollateralized.

	<b>CLB The Community Bank</b>	<b>Concordia Bank &amp; Trust</b>	<b>Total</b>
<b>Bank Balances</b>	\$ <u>1,726,786</u>	\$ <u>907,285</u>	\$ <u>2,634,071</u>
<i>Secured As Follows</i>			
FDIC ( <i>Category 1</i> )	500,000	250,000	750,000
Securities ( <i>Category 2</i> )	1,051,598	800,182	1,851,780
Uncollateralized ( <i>Category 3</i> )	175,188	-0-	175,188
<b>Total</b>	\$ <u>1,726,786</u>	\$ <u>1,050,182</u>	\$ <u>2,776,968</u>

All deposits were not secured as of June 30, 2022.

**(3) INTERFUND TRANSFERS**

Interfund transfers during the year ended June 30, 2022, were as follows:

\$319,314 was transferred from the utility fund to the general fund.

Transfers are primarily used to move funds from:

- The proprietary funds to the general fund to cover expenses of general operations.

**(4) RECEIVABLES**

The receivables of \$140,064 at June 30, 2022, are as follows:

<b>Class of Receivable</b>	<b>General Fund</b>	<b>Enterprise Fund</b>	<b>Total</b>
Taxes:			
Property Taxes	\$ 5,074	\$ -0-	\$ 5,074
Accounts	12,316	144,854	157,170
Other	-0-	476	476
Allowance for Uncollectible	-0-	(22,656)	(22,656)
<b>Total</b>	\$ <u>17,390</u>	\$ <u>122,674</u>	\$ <u>140,064</u>

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance amount at the time information becomes available which would indicate the uncollectible of the receivable.

**(5) CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2022, is as follows:

	<b><u>Governmental Activities</u></b>			
	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Ending Balance</u></b>
Land*	\$ 422,850	\$ -0-	\$ -0-	\$ 422,850
Buildings	1,079,801	25,130	-0-	1,104,931
Land Improvements	3,138,784	256,698	-0-	3,395,482
Machinery & Equipment	2,570,699	92,661	-0-	2,663,360
Vehicles	761,843	65,025	-0-	826,868
<b>Total Fixed Assets</b>	<b>7,973,977</b>	<b>439,514</b>	<b>-0-</b>	<b>8,413,491</b>
Less Accumulated Depreciation	(2,969,595)	(277,997)	-0-	(3,247,592)
<b>Net Capital Assets</b>	<b>\$ 5,004,382</b>	<b>\$ 161,517</b>	<b>\$ -0-</b>	<b>\$ 5,165,899</b>

\*Land in the amount of \$422,850 is not being depreciated.

Depreciation expense of \$277,997 for the year ended June 30, 2022, was charged to the following governmental functions:

General Government	\$ 20,849
Public Safety:	
Police	21,255
Fire	-0-
Public Works:	
Streets	140,361
Sanitation	-0-
Recreation	-0-
Airport	95,532
<b>Total Depreciation</b>	<b>\$ 277,997</b>

**Business-Type Activities**

	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Ending Balance</u></b>
Land*	\$ 21,612	\$ -0-	\$ -0-	\$ 21,612
Buildings	11,579	-0-	-0-	11,579
Plant and Equipment	28,224,771	332,266	-0-	28,557,037
<b>Total</b>	<b>28,257,962</b>	<b>332,266</b>	<b>-0-</b>	<b>28,590,228</b>
Accumulated Depreciation	(8,380,796)	(555,731)	-0-	(8,936,527)
<b>Net Capital Assets</b>	<b>\$ 19,877,166</b>	<b>\$ (223,465)</b>	<b>\$ -0-</b>	<b>\$ 19,653,701</b>

\* Land in the amount of \$21,612 is not being depreciated.

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**(6) LONG-TERM OBLIGATIONS**

**Governmental Funds**

The following is a summary of long-term obligation transactions for the year ended June 30, 2022:

	<b>Bonds Payable</b>	<b>Notes Payable</b>	<b>Total</b>
Long-term obligations at beginning of year	\$ 1,171,803	\$ 17,940	\$ 1,189,743
Additions to principal	-0-	-0-	-0-
Repayment of principal	(255,216)	(10,489)	(265,705)
Long-term obligations at end of year	916,587	7,451	924,038
Less current portion	(264,200)	(7,451)	(271,651)
Long-term portion	\$ 652,387	\$ -0-	\$ 652,387

Long-term debt for governmental funds as of June 30, 2022, is comprised of the following:

United States Department of Agriculture – Public Improvement Bond, Series 2012 indebtedness to construct a new Town Hall in the amount of \$139,900, commencing on January 24, 2014, and payable in monthly installments of \$518 until maturity on January 24, 2053, with an annual interest rate of 3.125%.	\$ 112,587
Sales tax bonds in the amount of \$1,900,000, Series 2017 issued for street improvements, beginning November 2017 and commencing on November 2025, and due in semi-annual installments changing each year with a coupon rate of 2.425%.	804,000
Wells Fargo Equipment Finance – 2012 John Deere 310J Backhoe Loader financed in the amount of \$37,351.33, beginning April 2019, commencing March 2023, payable in monthly installments of \$958.83, interest rate of 10.638%.	<div style="border-top: 1px dashed black; display: inline-block;">7,451</div>
<b>Total long-term debt</b>	<b>\$ <u>924,038</u></b>

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

The annual requirements to amortize all debt outstanding as of June 30, 2022, including interest payments, are as follows:

<b>Year Ending June 30,</b>	<b>Bonds &amp; Notes Payable</b>
2023	\$ 286,752
2024	287,048
2025	290,800
2026	6,216
2027	6,216
2028-2032	31,080
2033-2037	31,080
2038-2042	31,080
2043-2047	31,080
2048-2052	31,080
2053-2057	3,599
<b>Total</b>	<b>\$ 1,036,031</b>

**Enterprise Fund**

The following is a summary of long-term obligation transactions for the year ended June 30, 2022:

	<b>Bonds Payable</b>	<b>Notes Payable</b>	<b>Lease Payable</b>	<b>Total</b>
Long-term obligations at beginning of year	\$ 6,484,029	\$ 118,803	\$ -0-	\$ 6,602,832
Additions to principal	-0-	-0-	296,580	296,580
Repayment of principal	<u>(227,000)</u>	<u>(3,000)</u>	<u>(24,713)</u>	<u>(254,713)</u>
Long-term obligations at end of year	6,257,029	115,803	271,867	6,644,699
Less current portion	<u>(229,000)</u>	<u>(4,000)</u>	<u>(59,316)</u>	<u>(292,316)</u>
Long-term portion	<u>\$ 6,028,029</u>	<u>\$ 111,803</u>	<u>\$ 212,551</u>	<u>\$ 6,352,383</u>

## TOWN OF JONESVILLE, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Long-term debt for the enterprise fund as of June 30, 2022, is comprised of the following:

Revenue refunding bonds to refinance debt and pay electricity purchases in the amount of \$760,000, net of discount commencing on March 20, 2020, and payable in annual installments beginning at \$65,000 and changing from year to year until maturity on June 30, 2028, with an annual coupon rate beginning at 2.250% and increasing annually.	\$ 600,000
Forty-year note payable to provide financing in the amount of \$205,000, to United States Department of Agriculture, dated December 1, 2010, with principal due annually and interest due semi-annually, with an annual interest rate of 3.00%.	115,803
Bond payable to United States Department of Agriculture, in the amount of \$3,326,000, with interest payments due semi-annually beginning December 1, 2012, and principal payments due annually commencing December 1, 2014, until maturity on December 1, 2051, with an annual interest rate of 2%.	2,847,554
Bond payable to United States Department of Agriculture, in the amount of \$3,292,000, with interest payments due semi-annually beginning December 1, 2012, and principal payments due annually commencing December 1, 2014, until maturity on December 1, 2051, with an annual interest rate of 2%.	2,816,549
Lease payable to Altec Capital for right-of-use asset (Digger Truck) for 60 months due in annual installments of \$2,697 beginning March 1, 2022.	148,786
Lease payable to Altec Capital for right-of-use asset (Bucket Truck) for 60 months due in annual installments of \$2,246 beginning December 1, 2021.	123,081
Total long-term debt	\$ <u>6,651,773</u>

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

The annual requirements to amortize all debt outstanding as of June 30, 2022, including interest payments, are as follows:

<u>Year Ending June 30,</u>	<u>Bones, Notes, and Lease Payable</u>
2023	\$ 426,373
2024	426,117
2025	427,790
2026	430,102
2027	409,517
2028-2032	1,402,830
2033-2037	1,426,180
2038-2042	1,425,180
2043-2047	1,131,520
2048-2052	1,380,093
<b>Total</b>	<b>\$ <u>8,885,702</u></b>

**(7) SEGMENT INFORMATION FOR UTILITY FUND**

The enterprise fund operated by the Town provides electric, water, gas, and sewer utility services. The following is a summary of segment information for enterprise funds:

	<u>Electric Utility</u>	<u>Gas Utility</u>	<u>Water Utility</u>	<u>Sewer Service</u>	<u>Total</u>
Operating Revenue	\$ 2,634,398	\$ 590,965	\$ 332,965	\$ 324,657	\$ 3,882,985
Purchase of Utility	(1,475,685)	(577,411)	-0-	-0-	(2,053,096)
Operating Expenses	(505,117)	(131,214)	(229,447)	(202,897)	(1,068,675)
Depreciation	(67,989)	(13,347)	(183,775)	(290,619)	(555,730)
Nonoperating Revenue	311	-0-	-0-	-0-	311
Nonoperating Expense	(17,430)	-0-	(59,845)	(29,135)	(106,410)
<b>Operating Income (Loss)</b>	<b>\$ <u>568,488</u></b>	<b>\$ <u>(131,007)</u></b>	<b>\$ <u>(140,102)</u></b>	<b>\$ <u>(197,994)</u></b>	<b>\$ <u>99,385</u></b>

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**(8) RESTRICTED NET POSITION**

- **Governmental Fund**

- The Town’s debt service fund had restricted net position of \$782,498, which have been restricted for future payments of long-term debt.

- **Enterprise Funds**

- The Town’s enterprise fund had restricted net position of \$727,762, which arose from restricted monies as required by revenue bond indentures.

**(9) ELECTED OFFICIALS**

The following is a list of elected officials and their term for the year ending June 30, 2022:

<u>Name</u>	<u>Title</u>	<u>Term</u>
Hiram Evans	Mayor	1/1/2019 – 12/31/2022
Marcellus Cummings	Police Chief	1/1/2019 – 12/31/2022
Benny Vault, Sr	Council	1/1/2019 – 12/31/2022
Catina Branch	Council	1/1/2019 – 12/31/2022
Josie Bullitts	Council	1/1/2019 – 12/31/2022
Loria Hollins	Council	1/1/2019 – 12/31/2022
Bruce Lofton	Council	1/1/2019 – 12/31/2022

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**(10) RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(11) SALES AND USE TAX REVENUES**

- A) The Town receives hard surface road tax and sanitation tax from Catahoula Parish. The Town received \$81,671 in hard surface road tax and \$192,512 in sanitation tax for the fiscal year ended June 30, 2022.
- B) The Town receives 1% sales and use tax from Catahoula Parish to be used for the purpose of hard surfacing, rehabilitation, and resurfacing of the streets located within the corporate limits of the Town. The Town received \$463,604 in sales tax for the fiscal year ended June 30, 2022.

**(12) SUBSEQUENT EVENTS**

Management has evaluated events and transactions subsequent to the Statement of Net Position date through, May 25, 2023, of the independent auditor's report for potential recognition or disclosure in the financial statements.

**(13) EXCESS OVER APPROPRIATIONS**

The Town of Jonesville had an unfavorable expenditure of \$283,296 or 13.4%.

**REQUIRED SUPPLEMENTAL INFORMATION**

**TOWN OF JONESVILLE, LOUISIANA**  
**Statement of Revenues, Expenditures, & Changes in Fund Balance**  
**Budget & Actual**  
**General and Special Revenue Funds**  
**For the Year Ended June 30, 2022**

	BUDGET AMOUNTS		Actual Amounts	VARIANCES FAVORABLE (UNFAVORABLE)
	Original	Final	Budgetary Basis	
<b>REVENUES</b>				
Taxes	\$ 195,000	\$ 600,000	\$ 547,241	\$ (52,759)
Licenses and Permits	104,000	135,000	193,047	58,047
Rentals	36,000	22,000	22,370	370
Intergovernmental	600,000	475,000	376,733	(98,267)
Grants	-0-	-0-	617,603	617,603
Fines	30,000	145,000	215,007	70,007
Charges for Services	120,000	135,000	133,975	(1,025)
Other	75,000	576,730	102,898	(473,832)
<b>TOTAL REVENUES</b>	1,160,000	2,088,730	2,208,884	120,154
<b>EXPENDITURES</b>				
General Government	509,925	659,400	584,164	75,236
Public Safety:				
Police	366,560	517,850	409,100	108,750
Fire	-0-	-0-	-0-	-0-
Public Works:				
Streets	425,950	695,383	495,118	200,265
Sanitation	350,000	135,000	142,220	(7,220)
Recreation	1,700	1,725	17	1,708
Airport	10,750	70,750	35,448	35,302
Capital Outlay	-0-	37,000	439,514	(402,514)
Debt Service	-0-	-0-	294,823	(294,823)
<b>TOTAL EXPENDITURES</b>	1,664,885	2,117,108	2,400,404	(283,296)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(504,885)	(28,378)	(191,520)	(163,142)
<b>OTHER FINANCING SOURCES (USES)</b>				
Interest Income	375	400	223	(177)
Transfer In/(Out)	300,000	400,000	319,314	(80,686)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	300,375	400,400	319,537	(80,863)
<b>NET CHANGE IN FUND BALANCE</b>	\$ (204,510)	\$ 372,022	\$ 128,017	\$ (244,005)
<b>FUND BALANCE - BEGINNING</b>			1,016,643	
<b>FUND BALANCE - ENDING</b>			\$ 1,144,660	

See independent auditors report.

**TOWN OF JONESVILLE, LOUISIANA**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2022**

Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

Budget Amendments and Revisions

The budget is adopted by the Town Council. Amendments can be made on the approval of the Town Council. A budgetary comparison is presented for the General Fund and each major special revenue fund consistent with accounting principles generally accepted in the United States of America.

## **Supplemental Information**

**TOWN OF JONESVILLE, LOUISIANA**  
**Schedule of Compensation Benefits and Other Payments**  
**to Agency Head or Chief Executive Officer**  
**For the Year Ended June 30, 2022**

Honorable Hiram Evans, Mayor

Purpose	Amount	
Salary	\$	31,953
Benefits-Insurance		-0-
Benefits-Retirement		-0-
Benefits (Expense Allowance)		-0-
Car Allowance		-0-
Vehicle Provided by Government		-0-
Per Diem		-0-
Reimbursements		-0-
Travel		-0-
Registration Fees		-0-
Conference Travel		-0-
Continuing Professional Education Fees		-0-
Housing		-0-
Un-vouchered Expenses*		-0-
Special Meals	\$	-0-

\*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

**Town of Jonesville  
Jonesville, Louisiana  
Justice System Funding Schedule – Collecting/Disbursing Entity  
Year Ended June 30, 2022**

	<b>First Six Months Ended <u>12/31/2021</u></b>	<b>Second Six Months Ended <u>06/30/2022</u></b>
<b>Beginning Balance of Amounts Collected</b>	\$	\$
<b>Add: Collections</b>		
Bonds Forfeited	45,125	130,110
Fines Collected	2,235	1,743
<b>Subtotal Collections</b>	<u>47,360</u>	<u>131,853</u>
<b>Less: Disbursements to Governments &amp; Nonprofits</b>		
Department of Health and Hospital	740	3,025
State Treasurer – CMIS	27	93
LA Commission on Law Enforcement	69	147
LA Supreme Court Education Fund	105	342
Central LA Juvenile Fund	1,188	4,913
LA Chiefs of Police	-0-	-0-
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-0-	-0-
<b>Subtotal Disbursements/Retainage</b>	<u>2,129</u>	<u>8,520</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	<u>45,231</u>	<u>123,333</u>
<b>Ending Balance of “Partial Payments” Collected but not Disbursed</b>	-0-	-0-
<b>Other Information:</b>		
<b>Ending Balance of Total Amounts Assessed but not yet Collected</b>	-0-	-0-
<b>Total Waivers During the Fiscal Period</b>	\$ -0-	\$ -0-

See independent auditor’s report.

**Town of Jonesville, Louisiana  
Schedule of Revenues, Expenditures &  
Changes in Fund Balances  
LCDBG Schedule  
For the Year Ended June 30, 2022**

	<u><b>2020 LCDBG STREET</b></u>
<b>REVENUES</b>	
Capital Grants	\$ 147,751
<b>TOTAL REVENUES</b>	<u>147,751</u>
<b>EXPENDITURES</b>	
Administrative Services	-0-
Engineering Services	-0-
Project Construction	147,751
<b>TOTAL EXPENDITURES</b>	<u>147,751</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-0-
<b>FUND BALANCES--BEGINNING</b>	<u>-0-</u>
<b>FUND BALANCES--ENDING</b>	<u>\$ -0-</u>

LCDBG – Louisiana Community Development Block Grant

See independent auditor’s report.



**Other Reports**

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

Honorable Loria Hollins, Mayor  
& Members of the Town Council  
Jonesville, LA

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 Jonesville, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Jonesville’s basic financial statements and have issued our report thereon dated May 25, 2023.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Jonesville’s internal control over financial reporting (internal control) to determine the 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 of Jonesville’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Jonesville’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 of Jonesville’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 test disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items: **2022-1 Deposits in Excess of FDIC & Pledged Securities Coverage, 2022-2 Annual Filing of Financial Statements, and 2022-3 Budget Variance.**

### **The Town of Jonesville’s Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Jonesville’s response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Town of Jonesville’s response was not subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*The Vercher Group*

Jena, Louisiana  
May 25, 2023

**TOWN OF JONESVILLE  
TOWN OF JONESVILLE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COST  
For the Year Ended June 30, 2022**

We have audited the basic financial statements of the Town of Jonesville, Louisiana, as of and for the year ended June 30, 2022, and have issued our report thereon dated May 25, 2023. We conducted our audit in accordance with generally accepted auditing standards and the standards in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Section I - Summary of Auditor's Results**

Our audit of the financial statements as of June 30, 2022, resulted in an unmodified opinion.

**a. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses  Yes

Significant Deficiencies  Yes

Compliance

Compliance Material to Financial Statements  Yes

**b. Federal Awards (Not Applicable)**

Internal Control

Material Weaknesses  Yes

Other Conditions  Yes

Type of Opinion on Compliance Unmodified

Qualified

For Major Programs Disclaimer

Adverse

Are the findings required to be reported in accordance with Uniform Guidance?

Yes

**c. Identification of Major Programs:**

**CFDA Number (s)**

**Name Of Federal Program (or Cluster)**

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance?  Yes  No

**TOWN OF JONESVILLE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)**  
**For the Year Ended June 30, 2022**

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**Section II – Financial Statement Findings**

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**2022-1 Deposits in Excess of FDIC & Pledged Securities Coverage (Compliance Finding)**

**Condition:** Bank deposits at Catahoula LaSalle Bank were under secured by \$175,188 as of June 30, 2022.

**Criteria:** State law requires banks to pledge securities to secure account balances in excess of FDIC coverage.

**Cause of Condition:** Oversight by bank.

**Potential Effect of Condition:** Loss to the Town in the event of a bank failure.

**Recommendation:** The Town’s accounting department should contact its bank periodically to determine that account balances are properly secured.

**2022-2 Annual Filing of Financial Statements (Compliance Finding)**

**Condition:** The Town did not file their financial statements with the Legislative Auditor on a timely basis.

**Criteria:** (Required for financial audits performed under *Government Auditing Standards*): LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor’s Office within six months of the entity’s year end closing.

**Cause of Condition:** Not having the financial statements completed on time.

**Potential Effect of Condition:** Compliance finding and a freeze on grant funding.

**Recommendation:** The Town should have their audit completed in time to file with the Legislative Auditor’s Office within six months of the Town’s year end closing.

**TOWN OF JONESVILLE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)**  
**For the Year Ended June 30, 2022**

**2022-3 Budget Variances (Compliance Finding)**

**Condition:** The Town of Jonesville had an unfavorable expenditure variance of \$283,296 or 13.4%.

**Criteria:** The Budget Act requires that budgets be amended when the variance exceeds 5%.

**Cause of Condition:** The Town of Jonesville did not correctly budget the Capital Outlay or Debt Service expenses.

**Potential Effect of Condition:** The Town of Jonesville having an unfavorable expenditure variance and violating the Budget Act.

**Recommendation:** The Town of Jonesville should amend the budget when expenditure is more than 5% of budgeted amounts.

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**Section III Federal Awards Findings and Questioned Costs**

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Not applicable.

**TOWN OF JONESVILLE, LOUISIANA**  
**MANAGEMENT'S CORRECTIVE ACTION**  
**FOR CURRENT YEAR AUDIT FINDINGS**

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**2022-1 Deposits in Excess of FDIC & Pledged Securities Coverage**

*Findings:* Bank deposits at Catahoula LaSalle Bank were under secured by \$175,188 as of June 30, 2022.

*Corrective Action:* The Town's accounting department will periodically contact the bank to determine that bank accounts are fully secured.

*Contact Person:* Loria Hollins

*Anticipated Completion Date:* June 30, 2023

**2022-2 Annual Filing of Financial Statements**

*Findings:* The Town did not timely file their financial statements with the Legislative Auditor on a timely basis.

*Corrective Action:* The Town will have their audit completed in time to file with the Legislative Auditor's Office within six months of the Town's year end closing.

*Contact Person:* Loria Hollins

*Anticipated Completion Date:* June 30, 2023

**2022-3 Budget Variance**

*Finding:* The Town of Jonesville had an unfavorable expenditure variance of \$283,296 or 13.4%. The Budget Act requires that budgets be amended when the variance exceeds 5%.

*Corrective Action:* The management of the Town of Jonesville will begin amending its budget when expenditures are more than 5% of budgeted amounts.

*Contact Person:* Loria Hollins

*Anticipated Completion Date:* June 30, 2023

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### **MANAGEMENT LETTER COMMENTS**

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No items to report.

**TOWN OF JONESVILLE, LOUISIANA**  
**June 30, 2022**

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**MANAGEMENT'S SUMMARY**  
**OF PRIOR YEAR FINDINGS**

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Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana 70804-9397

The management of the Town of Jonesville, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2021.

**PRIOR YEAR FINDINGS**

**2021-1 Unremitted Traffic Ticket Fees (Compliance Finding) - Resolved**

**Condition:** During our audit we noted that the Town had not remitted certain fees collected for traffic tickets on behalf of different state agencies for several months.

**Criteria:** The Louisiana Legislature imposes additional fees on traffic violations which are collected by municipalities and then remitted to the appropriate State agencies.

**Cause of Condition:** Nonpayment of fees collected on behalf of various State agencies.

**Potential Effect of Condition:** Potential compliance violation.

**Recommendation:** We recommend that the Town report and remit traffic fees in a timely manner.

**Client Response and Corrective Action:** Management has remitted all collection fees due for fiscal year 2021 and will remain current on all fees remitted to state agencies.

**2021-2 Reconciling Ticket Revenue with Collection Reports (Internal Control) - Resolved**

**Condition:** While performing audit procedures on the Town's revenue, we were unable to reconcile the Town's ticket revenue per the collection reports to revenue on the Town's financial statements.

**Criteria:** Good internal controls allow for a reconciliation of revenue collected and posted to the Town's financial statements and revenue per the Town's collection reports generated by the collection software.

**Cause of Condition:** Not separating bonds receipts from fine receipts and reconciling reports each month.

**TOWN OF JONESVILLE, LOUISIANA**  
**June 30, 2022**

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**MANAGEMENT'S SUMMARY**  
**OF PRIOR YEAR FINDINGS**

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**PRIOR YEAR FINDINGS CONTINUED**

**Effect of Condition:** Potential incorrect reporting of collection reports.

**Recommendation:** We recommend that management monitor its' software and update when necessary. We also recommend management print monthly collection reports and reconcile with monthly financial reports and separate receipts for bonds and fines.

**Client Response and Corrective Action:** Management will also print monthly collection reports and reconcile with monthly financial reports and separate receipt books for collections.

**2021-4 Deposits in Excess of FDIC & Pledged Securities Coverage - Unresolved**

**Condition:** Bank deposits at Catahoula LaSalle Bank were under secured by \$348,703 as of June 30, 2022.

**Criteria:** State law requires banks to pledge securities to secure account balances in excess of FDIC coverage.

**Cause of Condition:** Oversight by bank.

**Potential Effect of Condition:** Loss to the Town in the event of a bank failure.

**Recommendation:** The Town's accounting department should contact its bank periodically to determine that account balances are properly secured.

**Client Response & Corrective Action:** The Town's accounting department will periodically contact the bank to determine that bank accounts are fully secured.

**2021-5 Annual Filing of Financial Statements - Unresolved**

**Condition:** The Town did not file their financial statements with the Legislative Auditor on a timely basis.

**Criteria:** (Required for financial audits performed under *Government Auditing Standards*): LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end closing.

**Cause of Condition:** Not having the financial statements completed on time.

**TOWN OF JONESVILLE, LOUISIANA**  
**June 30, 2022**

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**MANAGEMENT'S SUMMARY**  
**OF PRIOR YEAR FINDINGS**

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**PRIOR YEAR FINDINGS CONTINUED**

**Potential Effect of Condition:** Potential compliance violation and a freeze on grant funding.

**Recommendation:** The Town should have their audit completed in time to file with the Legislative Auditor's Office within six months of the Town's year end closing.

**Client Response and Corrective Action:** The Town will have their audit completed in time to file with the Legislative Auditor's Office within six months of the Town's year end closing.

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### **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

The Honorable Loria Hollins, Mayor  
& Members of the Town Council  
Jonesville, Louisiana

We have performed the procedures enumerated below, which were agreed to by Town of Jonesville and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period July 1, 2021, to June 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

#### ***Written Policies and Procedures***

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

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

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

**Exception: The Town has not adopted a policy and procedure for Information Technology Disaster Recovery.**

**Management Response: The Town will adopt a policy and procedure for Information Technology Disaster Recovery.**

### ***Board or Finance Committee***

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly

budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

**No exceptions noted in the procedures performed.**

### ***Bank Reconciliations***

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

**Exception: The Town does not have documentation of outstanding checks over 12 months.**

**Management: The Town will research items over 12 months and send to Louisiana Unclaimed Property.**

### ***Collections (excluding electronic funds transfers)***

---

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

**No exceptions noted in the procedures performed.**

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**No exceptions noted in the procedures performed.**

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

**No exceptions noted in the procedures performed.**

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.

**Exception: The Town does not make deposits within one (1) day of collection.**

**Management: The Town will make deposits daily.**

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

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**No exceptions noted in the procedures performed.**

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

**No exceptions noted in the procedures performed.**

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**No exceptions noted in the procedures performed.**

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

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14. 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, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe 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 policy (procedure #1h).
  - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**No exceptions noted in the procedures performed.**

***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe 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, was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

**No exceptions noted in the procedures performed.**

### ***Payroll and Personnel***

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- 16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 18. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- 19. 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 exceptions noted in the procedures performed.**

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

**No exceptions noted in the procedures performed.**

### ***Debt Service***

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. 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).

**No exceptions noted in the procedures performed.**

### ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe 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 exceptions noted in the procedures performed.**

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

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25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**No exceptions noted in the procedures performed.**

### ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe 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).
28. 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 it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

**Exception: Not all employees completed an hour of sexual harassment training.**

**Management Response: The Town will ensure every employee/board member completes one hour of sexual harassment.**

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. 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.

The purpose of this report is 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.

*The Vercher Group*

Jena, Louisiana  
May 25, 2023