



**FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021**

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December 23, 2021

Independent Auditors' Report

To the Honorable Mayor and Board of Aldermen  
Town of Ball, Louisiana

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Ball, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



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**OPINIONS**

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

**OTHER MATTERS**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require the information listed below to supplement the basic financial statements.

- Management’s Discussion and Analysis
- Budgetary Comparison Information
- Schedule of Net Pension Liability Data
- Schedule of Employer Contributions

Such information, although not a part of the basic financial statements, is required by the Government 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.

**Other Information**

We were engaged for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ball’s basic financial statements. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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, other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021, on our consideration of the Town of Ball'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 engagement in accordance with *Government Auditing Standards* in considering the Town of Ball's internal control over financial reporting and compliance.



ROZIER, MCKAY & WILLIS  
Certified Public Accountants





December 23, 2021

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

To the Honorable Mayor and Board of Aldermen  
Town of Ball, Louisiana

We were engaged to audit, 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 Ball, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 23, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with our engagement to audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.



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**COMPLIANCE AND OTHER MATTERS**

In connection with our engagement to audit the Town of Ball's financial statements, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance that were required to be reported under *Government Auditing Standards*.

**PURPOSE OF THIS REPORT**

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



ROZIER, MCKAY & WILLIS  
Certified Public Accountants

# **Town of Ball**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2021**

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This section of the Town of Ball's annual financial report presents our discussion and analysis of the Town's financial performance during the year ended June 30, 2021.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

#### **Government –Wide Financial Statements**

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Town's assets (including infrastructure acquired after January 1, 2004 and all of the Town's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including public safety, recreation, public works and general administration are reported as governmental activities. The governmental activities are financed by taxes, license and permit fees, fines and forfeitures, and intergovernmental sources.
- **Business-Type Activities** – Expenses associated with providing sanitation and utility services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with these services are reported as business type activities.

#### **Fund Financial Statements**

Fund financial statements provide detailed information regarding the Town's most significant activities and are not intended to provide information for the Town as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Town has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Town's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Funds** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Town's utility services. Proprietary fund financial statements typically provide a more detail presentation of the information reported in the business-type activities portion of the government-wide financial statements.



# **Town of Ball**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2021**

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

A comparative analysis of government-wide financial data is presented as follows:

#### **Net Position**

A condensed version of the government-wide Statement of Net Position is presented as follows:

	<b>For the Year Ended June 30, 2021</b>			<b>For the Year Ended June 30, 2020</b>
	<b>Govern- mental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>	
<b><u>Assets:</u></b>				
Current and Other Assets	\$ 1,228,794	\$ 657,065	\$ 1,885,859	\$ 1,557,830
Capital Assets	1,433,988	5,027,302	6,461,290	6,752,067
Total Assets	<u>2,662,782</u>	<u>5,684,367</u>	<u>8,347,149</u>	<u>8,309,897</u>
Deferred Outflow of Resources	<u>721,971</u>	<u>162,095</u>	<u>884,066</u>	<u>849,079</u>
<b><u>Liabilities:</u></b>				
Current and Other Liabilities	119,809	176,566	296,375	448,348
Long-term Liabilities	2,215,105	908,915	3,124,020	2,871,054
Total Liabilities	<u>2,334,914</u>	<u>1,085,481</u>	<u>3,420,395</u>	<u>3,319,402</u>
Deferred Inflows of Resources	<u>172,772</u>	<u>52,414</u>	<u>225,186</u>	<u>202,405</u>
<b><u>Net Position:</u></b>				
Invested in Capital Assets (Net)	1,275,631	5,015,853	6,291,484	6,533,582
Restricted	508,409	---	508,409	583,232
Unrestricted	(906,973)	(307,286)	(1,214,259)	(1,479,645)
Total Net Position	<u>\$ 877,067</u>	<u>\$ 4,708,567</u>	<u>\$ 5,585,634</u>	<u>\$ 5,637,169</u>

As the presentation appearing above demonstrates, the largest portion of the Town's net position is invested in capital assets. Net position invested in capital assets consists of land, buildings, equipment, and infrastructure less any debt used to acquire the assets that remain outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

Remaining resources that are subject to restrictions that are imposed by agreements with various revenue sources.

Recognizing long-term liabilities associated with participation in cost sharing defined benefit retirement programs has eliminated the Town's remaining net position. Despite the absence of net position, the Town has sufficient resources to meet these obligations for the foreseeable future.

# **Town of Ball**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2021**

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### **Changes in Net Position**

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

	<b>For the Year Ended June 30, 2021</b>			<b>For the Year Ended June 30, 2020</b>
	<b>Govern- mental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>	
<b><u>Revenues:</u></b>				
Program Revenue:				
Charges for Services	\$ 579,514	\$ 1,395,729	\$ 1,975,243	\$ 1,650,389
Operating Grants and Contributions	30,962	---	30,962	33,669
Capital Grants and Contributions	---	---	---	99,780
General Revenue:				
Taxes	1,590,223	78,024	1,668,247	1,377,326
Licenses & Permits	147,959	---	147,959	103,915
Other	31,824	1,496	33,320	77,215
Total Revenue	<u>2,380,482</u>	<u>1,475,249</u>	<u>3,855,731</u>	<u>3,342,294</u>
<b><u>Program Expenses:</u></b>				
General Government	483,045	---	483,045	638,105
Public Safety				
Police Department	865,986	---	865,986	910,991
Fire Department	379,547	---	379,547	396,283
Public Works – Streets	617,205	---	617,205	660,598
Interest on Long-Term Debt	8,409	---	8,409	14,528
Sanitation	---	512,709	512,709	395,640
Sewer	---	1,040,366	1,040,366	948,538
Total Expenses	<u>2,354,192</u>	<u>1,553,075</u>	<u>3,907,267</u>	<u>3,964,683</u>
Increase/(Decrease) in Net Position Before Transfers	26,290	(77,826)	(51,536)	(622,389)
Transfers	(27,263)	27,263	---	---
Change in Net Position	<u>(973)</u>	<u>(50,563)</u>	<u>(51,536)</u>	<u>(622,389)</u>
Net Position Beginning	<u>878,040</u>	<u>4,759,130</u>	<u>5,637,170</u>	<u>6,259,558</u>
Net Position Ending	<u>\$ 877,067</u>	<u>\$ 4,708,567</u>	<u>\$ 5,585,634</u>	<u>\$ 5,637,170</u>

Governmental activities decreased the Town's net position by \$973. Business-type activities decreased the Town's net position by \$50,563. The decrease is attributable to depreciation on assets purchased in previous years.

# **Town of Ball**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2021**

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

An analysis of significant matters affecting the Town's funds is presented as follows:

- The Town's governmental fund reported a fund balance of \$1,108,985, which represents an increase of \$201,445.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

### **GENERAL FUND BUDGET HIGHLIGHTS**

Budgets were amended in order to address matters that were not anticipated when the original budget was adopted.

### **CAPITAL ASSET ADMINISTRATION**

Significant capital asset activity for the year ended June 30, 2021 was limited to the purchase of a new vehicle, various equipment upgrades for the Sanitation Department and Sewer System, and recording provisions for depreciation.

### **DEBT ADMINISTRATION**

Debt activity included repaying part of the Town's municipal leases totaling \$60,129. In addition, the Town entered into two lease agreements, for significant equipment upgrades for the Sanitation and Sewer System.

### **FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS**

At the present time, management is not aware of any factors expected to have a significant impact on future operations.

# **Town of Ball**

## **STATEMENT OF NET POSITION**

**June 30, 2021**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 1,106,434	\$ 541,682	\$ 1,648,116
Receivables (net)	99,370	135,483	234,853
Internal balances	20,100	(20,100)	-
Other Assets	2,890		2,890
Leased Assets	-	241,862	241,862
Capital assets			
Non depreciable capital assets	55,000	5,130	60,130
Depreciable capital assets, net	1,378,988	4,780,310	6,159,298
<b>Total assets</b>	<b>2,662,782</b>	<b>5,684,367</b>	<b>8,347,149</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension funding deferrals	721,971	162,095	884,066
<b><u>LIABILITIES</u></b>			
Accounts and other payables	119,809	24,708	144,517
Retainage Payable	-	-	-
Deposits due others	-	151,858	151,858
Long Term Liabilities			
Compensated Absences	24,680	24,947	49,627
Net Pension Liability	2,032,068	636,882	2,668,950
Long-Term Debt			
Due within one year	50,405	11,449	61,854
Due in more than one year	107,952	-	107,952
Lease Obligation			
Due within one year	-	146,680	146,680
Due in more than one year	-	88,957	88,957
<b>Total liabilities</b>	<b>2,334,914</b>	<b>1,085,481</b>	<b>3,420,395</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension funding deferrals	172,772	52,414	225,186
<b><u>NET POSITION</u></b>			
Invested in capital assets, net of related debt	1,275,631	4,773,991	6,049,622
Restricted	508,409	-	508,409
Unrestricted	(906,973)	(65,424)	(972,397)
<b>Total net position (deficit)</b>	<b>\$ 877,067</b>	<b>\$ 4,708,567</b>	<b>\$ 5,585,634</b>

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

# **Town of Ball**

## **STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2021**

	Expenses	Program Revenues			Net Revenue (Expense)		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
<b><u>Governmental Activities:</u></b>							
General Government	\$ 483,045	\$ -	\$ -	\$ -	\$ (483,045)	\$ -	\$ (483,045)
Public Safety							
Police Department	865,986	452,018	19,404	-	(394,564)	-	(394,564)
Fire Department	379,547	14,255	11,558	-	(353,734)	-	(353,734)
Public Works (Highways and Streets)	617,205	113,241	-	-	(503,964)	-	(503,964)
Interest on Long-Term Debt	8,409	-	-	-	(8,409)	-	(8,409)
Total Governmental Activities	<u>2,354,192</u>	<u>579,514</u>	<u>30,962</u>	<u>-</u>	<u>(1,743,716)</u>	<u>-</u>	<u>(1,743,716)</u>
<b><u>Business-Type Activities:</u></b>							
Sanitation	512,709	598,506	-	-	-	85,797	85,797
Sewer	1,040,366	797,223	-	-	-	(243,143)	(243,143)
Total Business-Type Activities	<u>1,553,075</u>	<u>1,395,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157,346)</u>	<u>(157,346)</u>
Total	<u>\$ 3,907,267</u>	<u>\$ 1,975,243</u>	<u>\$ 30,962</u>	<u>\$ -</u>	<u>(1,743,716)</u>	<u>(157,346)</u>	<u>(1,901,062)</u>
<b><u>General Revenues:</u></b>							
Taxes:							
Ad Valorem					96,347	-	96,347
Sales					1,346,984	78,024	1,425,008
Franchise					146,892	-	146,892
Licenses & Permits					147,959	-	147,959
Other					31,824	1,496	33,320
Transfers					(27,263)	27,263	-
Total General Revenues, Special Items and Transfers					<u>1,742,743</u>	<u>106,783</u>	<u>1,849,526</u>
Change in Net Position					<u>(973)</u>	<u>(50,563)</u>	<u>(51,536)</u>
Net Position - Beginning					<u>878,040</u>	<u>4,759,130</u>	<u>5,637,170</u>
Net Position - Ending					<u>\$ 877,067</u>	<u>\$ 4,708,567</u>	<u>\$ 5,585,634</u>

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



# **Town of Ball**

## **Balance Sheet Governmental Funds - June 30, 2021**

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	<u>General Fund</u>
<b><u>Assets</u></b>	
Cash and Cash Equivalents	\$ 1,106,434
Receivables (net)	99,370
Interfund Receivables	20,100
Other Assets	<u>2,890</u>
<b>Total assets</b>	<b><u>\$ 1,228,794</u></b>
<b><u>Liabilities and Fund Balance</u></b>	
<b><u>Liabilities</u></b>	
Accounts Payable	<u>\$ 119,809</u>
<b>Total liabilities</b>	<b><u>119,809</u></b>
<b><u>Fund Balance</u></b>	
Restricted For:	
Public Safety - Fire	209,800
Public Safety - Police	-
Public Works (Highways and Streets)	298,609
Unassigned	<u>600,576</u>
<b>Total Fund Balances</b>	<b><u>1,108,985</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 1,228,794</u></b>

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

# **Town of Ball**

## **Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position**

**June 30, 2021**

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Total Fund Balances - Governmental Funds	S	1,108,985
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		1,433,988
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet		(2,190,425)
Deferred inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet		(172,772)
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet		721,971
Compensated absences are not due and payable in the current period and therefore they are not reported in the funds.		<u>(24,680)</u>
Net Position of Governmental Activities	S	<u>877,067</u>

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

# **Town of Ball**

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

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	<u>General Fund</u>
<b><u>Revenues:</u></b>	
Taxes:	
Ad Valorem	\$ 96,347
Sales	1,346,984
Franchise	146,892
Licenses & Permits	147,959
Charges for Services	7,340
Intergovernmental	151,118
Fines and Forfeitures	452,018
Other	<u>31,826</u>
<b>Total Revenues</b>	<b><u>2,380,484</u></b>
<b><u>Expenditures:</u></b>	
Current:	
General Government	450,286
Public Safety	
Police Department	717,260
Fire Department	318,703
Public Works (Highways and Streets)	585,416
Capital Expenditures	23,537
Debt Service	<u>56,574</u>
<b>Total Expenditures</b>	<b><u>2,151,776</u></b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b><u>228,708</u></b>
<b><u>Other Financing Sources (Uses):</u></b>	
Operating Transfers	(27,263)
Proceeds from Long-Term Debt	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>(27,263)</u></b>
<b>Excess (Deficiency) of Revenues and Other Sources Over     Expenditures and Other Uses</b>	<b>201,445</b>
<b>Fund Balance (Deficit) - Beginning of Year</b>	<b><u>907,540</u></b>
<b>Fund Balance (Deficit) - End of Year</b>	<b><u><u>\$ 1,108,985</u></u></b>

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

# **Town of Ball**

## **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities**

**For the Year Ended June 30, 2021**

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Net change in fund balances of Governmental Funds \$ 201,445

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

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities the cost of those assets is allocated over  
estimated useful lives and reported as depreciation expense.

Capital Expenditures	23,537	
Depreciation	<u>(189,873)</u>	(166,336)

Governmental funds report pension expense based on contributions required for  
the current year; however, pension expense reported on the government  
wide basis is influenced by actuarial considerations.

(77,620)

The repayment of the principal of long-term debt consumes the current financial  
resources of governmental funds, while the payment of long-term debt has no  
effect on net position.

48,165

Compensated Absences are recorded in the governmental funds when paid, but are  
recorded in the statement of activities when earned. This represents the amount  
compensated absences paid exceeded amounts earned in the current period

(6,627)

Change in net position of governmental activities

\$ (973)

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

# **Town of Ball**

## **Statement of Net Position Proprietary Funds - June 30, 2021**

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<b><u>ASSETS:</u></b>			
Current Assets:			
Cash and cash equivalents	\$ 99,365	\$ 442,317	\$ 541,682
Receivables (net)	52,550	82,933	135,483
Interfund receivables	67,934	-	67,934
Total current assets	219,849	525,250	745,099
Noncurrent Assets:			
Leased Assets	134,128	107,734	241,862
Non depreciable capital assets	-	5,130	5,130
Depreciable capital assets, net	2,741	4,777,569	4,780,310
Total assets	356,718	5,415,683	5,772,401
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Pension funding deferrals	63,057	99,038	162,095
<b><u>LIABILITIES:</u></b>			
Current Liabilities:			
Accounts and other payables	6,090	18,618	24,708
Retainage Payable	-	-	-
Deposits due others	55,449	96,409	151,858
Interfund payables	14,070	73,964	88,034
Total current liabilities	75,609	188,991	264,600
Long Term Liabilities			
Current portion of long-term debt	-	11,449	11,449
Compensated Absences	7,876	17,071	24,947
Net Pension Liability	316,356	320,526	636,882
Lease Obligation			
Due Within One Year	108,123	38,557	146,680
Due in More than One Year	17,988	70,969	88,957
Total liabilities	525,952	647,563	1,173,515
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Pension funding deferrals	20,390	32,024	52,414
<b><u>NET POSITION:</u></b>			
Invested in capital assets, net of related debt	2,741	4,771,250	4,773,991
Unrestricted	(129,308)	63,884	(65,424)
Total net position (deficit)	\$ (126,567)	\$ 4,835,134	\$ 4,708,567

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



# **Town of Ball**

## **Statement of Revenues, Expenditures and Changes in Fund Net Position Proprietary Funds - For the Year Ended June 30, 2021**

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<b><u>Operating Revenues:</u></b>			
Service Fees	\$ 598,506	\$ 797,223	\$ 1,395,729
Other	-	-	-
<b>Total Operating Revenues</b>	<b>598,506</b>	<b>797,223</b>	<b>1,395,729</b>
<b><u>Operating Expenses:</u></b>			
Salaries and Benefits	195,474	270,933	466,407
Insurance	34,740	23,892	58,632
Repairs & Maintenance	13,174	80,764	93,938
Supplies & Chemicals	38,079	160,980	199,059
Utilities	651	94,451	95,102
Depreciation	1,353	364,950	366,303
Amortization	80,477	9,794	90,271
Disposal Fees	129,425	-	129,425
Other	16,262	33,257	49,519
<b>Total Operating Expenses</b>	<b>509,635</b>	<b>1,039,021</b>	<b>1,548,656</b>
<b>Operating Income (Loss)</b>	<b>88,871</b>	<b>(241,798)</b>	<b>(152,927)</b>
<b><u>Nonoperating Revenues (Expenses):</u></b>			
Taxes	39,012	39,012	78,024
Other Revenue	215	1,281	1,496
Interest Expense	(3,074)	(1,345)	(4,419)
<b>Change in Net Position Before Contributions and Transfers</b>	<b>125,024</b>	<b>(202,850)</b>	<b>(77,826)</b>
<b><u>Contributions and Transfers:</u></b>			
Capital Contributions	-	-	-
Transfers	37,294	(10,031)	27,263
<b>Change in net position</b>	<b>162,318</b>	<b>(212,881)</b>	<b>(50,563)</b>
<b>Total net position - beginning</b>	<b>(288,885)</b>	<b>5,048,015</b>	<b>4,759,130</b>
<b>Total net position - ending</b>	<b>\$ (126,567)</b>	<b>\$ 4,835,134</b>	<b>\$ 4,708,567</b>

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

# **Town of Ball**

## **Statement of Cash Flows**

### **Proprietary Funds - For the Year Ended June 30, 2021**

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<b><u>Cash flow from operating activities:</u></b>			
Cash received from customers	\$ 581,074	\$ 766,684	\$ 1,347,758
Cash payments to suppliers of goods and services	(236,936)	(557,668)	(794,604)
Cash payments to employees for services	(199,830)	(268,868)	(468,698)
Net cash provided (used) by operating activities	<u>144,308</u>	<u>(59,852)</u>	<u>84,456</u>
<b><u>Cash flows from non-capital financing activities:</u></b>			
Change in interfund balances	(39,056)	55,590	16,534
Operating transfers	37,294	(10,031)	27,263
Taxes	39,012	39,012	78,024
Other Non Operating Revenue	<u>216</u>	<u>1,281</u>	<u>1,497</u>
Net cash provided (used) by non-capital financing activities	<u>37,466</u>	<u>85,852</u>	<u>123,318</u>
<b><u>Cash flows from capital and related financing activities:</u></b>			
Capital expenditures	-	-	-
Capital grant proceeds	-	79,478	79,478
Principle paid on lease obligations	(88,495)	(19,966)	(108,461)
Interest paid on debt instruments	<u>(3,074)</u>	<u>(1,345)</u>	<u>(4,419)</u>
Net cash provided (used) by capital and related financing activities	<u>(91,569)</u>	<u>58,167</u>	<u>(33,402)</u>
<b>Net increase (decrease) in cash</b>	<b>90,205</b>	<b>84,167</b>	<b>174,372</b>
<b>Beginning cash balance</b>	<u>9,160</u>	<u>358,150</u>	<u>367,310</u>
<b>Ending cash balance</b>	<u>\$ 99,365</u>	<u>\$ 442,317</u>	<u>\$ 541,682</u>

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

# **Town of Ball**

## **Statement of Cash Flows (Continued) Proprietary Funds - For the Year Ended June 30, 2021**

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<b><u>Reconciliation of operating income (loss)</u></b>			
<b><u>to net cash provided (used) by operating activities</u></b>			
Operating income (loss)	\$ 88,871	\$ (241,798)	\$ (152,927)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,353	364,950	366,303
Amortization	80,477	9,794	90,271
(Increase) decrease in accounts receivable	(17,301)	(36,659)	(53,960)
Decrease (Increase) in net pension liability and deferrals	4,228	(31,948)	(27,720)
(Decrease) increase in accounts and other payables	(8,833)	(132,376)	(141,209)
(Decrease) increase in meter deposits	(131)	6,120	5,989
(Decrease) increase in compensated absences	892	7,833	8,725
(Decrease) increase other	(5,248)	(5,768)	(11,016)
Net cash provided (used) by operating activities	<u>\$ 144,308</u>	<u>\$ (59,852)</u>	<u>\$ 84,456</u>

### **Supplemental disclosures of cash flow information:**

During the period ended June 30, 2021, there were no operating, financing, or investing activities during the year that did not result in cash receipts or payments.

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

# **Town of Ball**

## **Notes To Financial Statements**

**June 30, 2021**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Ball (the Town) was incorporated under the provisions of the Lawrason Act. The Town is governed by a Mayor and a Board of Alderman consisting of five (5) members. Services provided by the Town include police protection, fire protection, and street maintenance. The Town also operates a sanitation service and a sewer system that are supported by user charges.

The accompanying policies conform to generally accepted accounting principles for governmental units.

### **Financial Reporting Entity**

As the municipal governing authority, for reporting purposes, the Town is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Town), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards establish criteria for determining which component units should be considered part of the Town of Ball for financial reporting purposes. The criteria to be considered are presented as follows:

1. Appointing a voting majority of an organization's governing body, and
  - a) The ability of the Town to impose its will on that organization and/or
  - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on these criteria the presented above, the only potential component unit is the Town's Volunteer Fire Commission. However, based on further consideration, it was determined that the Commission serves in an advisory capacity and does not have sufficient decision-making authority to be considered a component unit.

### **Basic Financial Statements**

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

# **Town of Ball**

## **Notes To Financial Statements**

**June 30, 2021**

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### **Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the Town as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

### **Fund Financial Statements**

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and business-type (enterprise) funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Town's major funds are described as follows:

#### **Major Governmental Funds**

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

#### **Major Business-Type Funds**

**Sanitation Service** – Used to account for transactions associated with collecting and disposing of solid waste.

**Sewer System** – Used to account for sewer collection and treatment, which is supported by user charges.

Business-Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for sanitation and sewer service.

### **Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<b><u>Financial Statement Presentation</u></b>	<b><u>Basis of Accounting</u></b>	<b><u>Measurement Focus</u></b>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources
Fiduciary Funds	Accrual Basis	Economic Resources

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

Under the modified accrual basis of accounting and the current financial resources measure focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end or due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude



# **Town of Ball**

## **Notes To Financial Statements**

**June 30, 2021**

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capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt is reported as other financing sources and repayment of long-term debt is reported as an expenditure.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Restricted Assets:**

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

### **Budget Practices:**

Budgets including any amendments are prepared in the manner prescribed by Louisiana revised statutes. Town budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. Budgets are adopted annually for the general fund and each special revenue fund. The remaining funds are not required to adopt budgets.

### **Capital Assets**

Capital assets, which include property, equipment and infrastructure, are reported as assets in the applicable governmental or business-type columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Assets reported in the fund financial statements for governmental funds exclude capital assets. Instead, the governmental funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the Town. Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 4 to 50 years. Useful lives are selected depending on the expected durability of the particular asset.

### **Cash and Cash Equivalents:**

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

### **Internal Activity:**

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

# **Town of Ball**

## **Notes To Financial Statements**

**June 30, 2021**

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### **NOTE 2 - CASH AND CASH EQUIVALENTS**

At June 30, 2021, cash and cash equivalents included the following amounts:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Cash Deposited in Banks	\$ 1,106,134	\$ 541,682	\$ 1,647,816
Cash on Hand	300	---	300
Cash and Cash Equivalents	<u>\$ 1,106,434</u>	<u>\$ 541,682</u>	<u>\$ 1,648,116</u>

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits 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. Even though the pledged securities are considered uncollateralized, state law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

### **NOTE 3 - ACCOUNTS RECEIVABLE**

Accounts receivable for the year ended June 30, 2021 are summarized as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<u>Accounts Receivable</u>			
Charges for Services	\$ 6,825	\$ 189,045	\$ 195,870
Franchise Taxes	29,989	---	29,989
Insurance Premium Tax	36,183	---	36,183
Allowance for Doubtful Accounts	---	(62,000)	(62,000)
Total Accounts Receivable	<u>72,997</u>	<u>127,045</u>	<u>200,042</u>
<u>Due From Other Governmental Units</u>			
Sales Taxes	---	---	---
Other	26,373	8,438	34,811
Total Due From Other Governments	<u>26,373</u>	<u>8,438</u>	<u>34,811</u>
Total Receivables	<u>\$ 99,370</u>	<u>\$ 135,483</u>	<u>\$ 234,853</u>

# **Town of Ball**

## **Notes To Financial Statements**

**June 30, 2021**

### **NOTE 4 – CAPITAL ASSETS**

Changes in governmental and business-type capital assets are presented as follows:

	<b>Non-Depreciable Capital Assets</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b><u>Governmental Activities</u></b>				
Land	\$ 55,000	\$ ----	\$ ----	\$ 55,000
Construction in Process	----	----	----	----
Total Governmental Activities	<u>55,000</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>55,000</u>
<b><u>Business-Type Activities</u></b>				
Sewer System				
Land	\$ 5,130	\$ ----	\$ ----	\$ 5,130
Construction in Process	----	----	----	----
Total Business-Type Activities	<u>\$ 5,130</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 5,130</u>
	<b>Depreciable Capital Assets</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b><u>Governmental Activities</u></b>				
Furniture, Fixtures and Equipment	\$ 2,221,910	\$ 23,537	\$ ----	\$ 2,245,447
Buildings and Improvements	1,477,615	----	----	1,477,615
Street Infrastructure	412,565	----	----	412,565
Accumulated Depreciation	(2,566,766)	(189,873)	----	(2,756,639)
Total Governmental Activities	<u>\$ 1,545,324</u>	<u>\$ (166,336)</u>	<u>\$ ----</u>	<u>\$ 1,378,988</u>
<b><u>Business-Type Activities</u></b>				
Sewer System				
Furniture, Fixtures and Equipment	\$ 310,328	\$ ----	\$ ----	\$ 310,328
Sewer System	14,014,158	----	----	14,014,158
Accumulated Depreciation	(9,181,966)	(364,950)	----	(9,546,916)
Total Sewer System	<u>5,142,519</u>	<u>(364,950)</u>	<u>----</u>	<u>4,777,569</u>
Sanitation Department				
Furniture, Fixtures and Equipment	356,315	----	----	356,315
Buildings and Improvements	13,092	----	----	13,092
Accumulated Depreciation	(365,313)	(1,353)	----	(366,666)
Total Sanitation Department	<u>4,094</u>	<u>(1,353)</u>	<u>----</u>	<u>2,740</u>
Total Business-Type	<u>\$ 5,146,613</u>	<u>\$ (366,303)</u>	<u>\$ ----</u>	<u>\$ 4,780,310</u>

# **Town of Ball**

## **Notes To Financial Statements**

**June 30, 2021**

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Depreciation expense charged to various functions presented on the statement of activities is presented as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Government	\$ 44,789	\$ ----	\$ 44,789
Police Department	71,837	----	71,837
Fire Department	44,194	----	44,194
Streets	28,388	----	28,388
Mayor's Court	665	----	665
Sewer System	----	364,950	364,950
Sanitation	----	1,353	1,353
Total Depreciation Expense	<u>\$ 189,873</u>	<u>\$ 366,303</u>	<u>\$ 556,176</u>

### **NOTE 5 – ACCOUNTS AND OTHER PAYABLES**

Details related to amounts reported as accounts and other payables are provided as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Payable to Vendors	\$ 22,174	\$ 21,549	\$ 43,723
Accrued Payroll/Payroll Taxes	11,279	3,159	14,438
Payroll Liabilities	86,356	----	86,356
Accounts and Other Payables	<u>\$ 119,809</u>	<u>\$ 24,708</u>	<u>\$ 144,517</u>

### **NOTE 6 – TAXES**

#### **Ad Valorem Taxes:**

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Rapides Parish. Property taxes are limited to an assessment for general alimony as permitted by State Law. Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed by the Town's General Fund.

#### **Sales Taxes:**

Citizens of the Town have permanently approved a 1.5% sales tax and a 0.5% sales tax. The sales taxes are collected by the Parish of Rapides and remitted to the Town on a monthly basis. The sales taxes are deposited in the Town's general fund and allocated to departments as required by dedications imposed by the sales tax propositions. These dedications are summarized as follows:

# **Town of Ball**

## **Notes To Financial Statements**

**June 30, 2021**

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Fire Department	28.75%
Police Department	26.67%
Streets, Recreation and Community Centers	37.08%
General Administration	3.75%
Public Works and Facilities	3.75%
Total	<u>100.00%</u>

The Town is also entitled to receive a portion of a parish-wide sales tax that is shared with other government agencies. The proceeds of this tax are unrestricted. Accordingly, the tax is deposited in the general fund and expended at the Town's discretion.

In addition, the Town receives an allocation from a 0.5% sales tax approved by the voters of Sales Tax District No. 3. The tax is available for general operations.

### **NOTE 7- RISK MANAGEMENT**

The Town is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town insures against these risks by participation in public entity risk pools that operate as common insurance programs and by purchasing commercial insurance.

### **NOTE 8 – RESTRICTED RESOURCES**

As discussed in Note 6, portions of the sales taxes collected by the Town are dedicated to specific purposes. Proceeds from these sales taxes are reported as restricted until expended for purposes that are consistent with sales tax propositions.

### **NOTE 9 – PENSION PLANS:**

Substantially all Town employees are members of statewide retirement systems. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. A summary of amounts reported in connection with participation in these plans is summarized as follows:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 1,448,325	\$ 358,716	\$ 115,991
Firefighters' Retirement System of Louisiana	136,739	73,645	17,881
Municipal Police Employees' Retirement System of Louisiana	<u>1,083,885</u>	<u>451,705</u>	<u>91,313</u>
Total	2,668,949	884,066	225,185
Portion Applicable to Business Type Activities	<u>636,882</u>	<u>162,095</u>	<u>52,413</u>
Portion Applicable to Government Type Activities	<u>\$ 2,032,067</u>	<u>\$ 721,971</u>	<u>\$ 172,772</u>

Further information regarding each of the retirement systems presented above is furnished as follows:

# **Town of Ball**

## **Notes To Financial Statements**

**June 30, 2021**

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### **Municipal Employees' Retirement System of Louisiana:**

**Plan Description** - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Any member of Plan A who commenced participation in the System prior to January 1, 2013 can retire providing he or she meets one of the following criteria:

- Any age with twenty-five (25) or more years of creditable service.
- At age 60 with a minimum of ten (10) years of creditable service.
- At any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

Any member of Plan A who commenced participation in the system after January 1, 2013 can retire providing he or she meets one of the following criteria:

- At age 67 with seven (7) years of creditable service.
- At age 62 with ten (10) years of creditable service.
- At age 55 with thirty (30) years of creditable service
- At any age with twenty-five (25) years of creditable service with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to 3% of their final-average salary for each year of creditable service multiplied by his or her years of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

**Funding Policy** - Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the system were equal to the required contributions for each of the past three years.

**Financial Summary** – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at mersla.com. The plans net pension liability was determined at June 30, 2020 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 1,218,616,969
Plan Fiduciary Net Position	786,276,078
Net Pension Liability	<u>432,340,891</u>
Town's Proportionate Share (Percentage)	0.334996%
Town's Proportionate Share (Amount)	<u>\$ 1,448,325</u>

# **Town of Ball**

## **Notes To Financial Statements**

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The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period are provided as follows:

Beginning Net Pension Liability		\$ 1,526,202
Employer Contributions		(179,517)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	173,718	
Changes in Benefit Terms	----	
Employee Contributions	(22,726)	150,992
Change in Deferred Outflows of Resources		(34,528)
Change in Deferred Inflows of Resources		(14,824)
Ending Net Pension Liability		<u>\$ 1,448,325</u>

There were no changes between June 30, 2021 and the Plan's measurement date (June 30, 2020) that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferred Resources</b>
Differences Between Expected and Actual Experience	\$ 672	\$ 8,211	\$ (7,539)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	144,528	----	144,528
Changes of Assumptions	24,365	----	24,365
Changes in Proportion	----	107,780	(107,780)
Employer Contributions Made After the Measurement Date	189,152	----	189,152
Total Deferrals	358,717	115,991	242,726
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	189,152	----	189,152
Deferrals Subject to Amortization	<u>\$ 169,565</u>	<u>\$ 115,991</u>	<u>\$ 53,574</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Measurement Period Ending</u>	
June 30, 2021	\$ (8,887)
June 30, 2022	8,436
June 30, 2023	32,840
June 30, 2024	21,185
Total	<u>\$ 53,574</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

# **Town of Ball**

## **Notes To Financial Statements**

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Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions: Investment Rate of Return	6.95%, net of investment expense
Projected Salary Increases	6.4% Plan A (1-4 Years of service) 4.5% Plan A (4+ Years of service)
Mortality Rates	Annuitant and Beneficiary - PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. Employee Mortality - PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales Disabled Lives – PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP 2018 scale

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.6% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 7.0% for the year ended June 30, 2020.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Public Equity	53%	2.33%
Public Fixed Income	38%	1.67%
Alternatives	9%	0.40%
Totals	100%	4.40%
Inflation		2.60%
Expected Arithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic



# **Town of Ball**

## **Notes To Financial Statements**

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assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate (assuming all other assumptions remain unchanged). The results are presented as follows:

	1% Decrease 5.95% Discount Rate	Current Discount Rate 6.95%	1% Increase 7.95 % Discount
Net Pension Liability	\$ 1,884,112	\$ 1,448,325	\$ 1,079,848

### **Firefighters' Retirement System of Louisiana**

**Plan Description** – Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3<sup>1/3</sup> percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

**Funding Policy** – Plan members are required by state statute to contribute 10.0 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town are established and may be amended by state statute. As proved by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the plan were equal to the required contributions for each of the past three years.

**Financial Summary** – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at [lafirefightersret.com](http://lafirefightersret.com). The plans net pension liability was determined at June 30, 2020 (measurement date and actuarial valuation date) and details are provided as follows:

# **Town of Ball**

## **Notes To Financial Statements**

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Total Pension Liability	\$ 2,530,844,605
Plan Fiduciary Net Position	<u>1,837,689,661</u>
Net Pension Liability	693,154,944
Town's Proportionate Share (Percentage)	0.019727%
Town's Proportionate Share (Amount)	<u>\$ 136,739</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2020 are provided as follows:

Beginning Net Pension Liability	\$ 130,354
Employer Contributions	(13,665)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	37,401
Changes in Benefit Terms	----
Employee Contributions	<u>(5,527)</u>
Change in Deferred Outflows of Resources	(8,086)
Change in Deferred Inflows of Resources	<u>(3,738)</u>
Ending Net Pension Liability	<u>\$ 136,739</u>

There were no changes between June 30, 2021 and the Plan's measurement date (June 30, 2020) that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferred Resources</b>
Differences Between Expected and Actual Experience	\$ ----	\$ 8,749	\$ (8,749)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	15,058	----	15,058
Changes of Assumptions	13,218	----	13,218
Changes in Proportion	27,929	9,132	18,797
Employer Contributions Made After the Measurement Date	<u>17,440</u>	<u>----</u>	<u>17,440</u>
Total Deferrals	73,645	17,881	55,764
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>17,440</u>	<u>----</u>	<u>17,440</u>
Deferrals Subject to Amortization	<u>\$ 56,205</u>	<u>\$ 17,881</u>	<u>\$ 38,324</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

# **Town of Ball**

## **Notes To Financial Statements**

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<u>For the Measurement Period Ending</u>	
June 30, 2021	\$ 16,506
June 30, 2022	16,043
June 30, 2023	4,301
June 30, 2024	1,990
June 30, 2025	37
June 30, 2026	(553)
Total	<u>\$ 38,324</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	7 Years
Investment Rate of Return	7.15% per annum
Inflation Rate	2.50% per annum
Projected Salary Increases	Vary from 14.10% in the first two years of service to 5.20% after 3 years, including inflation and merit increases.
Cost of Living Adjustments	Only those previously granted

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected nominal rate of return was 7.00 % as of June 30, 2020.

Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U. S. Equity	26.00%	5.72%
Non-U.S. Equity	18.00%	6.24%
Global Equity	10.00%	6.23%
Fixed Income	31.00%	1.00%
Real Estate	6.00%	4.20%
Private Equity	9.00%	10.29%
Totals	<u>100.00%</u>	

# **Town of Ball**

## **Notes To Financial Statements**

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The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009, through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease 6.0% Discount Rate	Current Discount Rate 7.0%	1% Increase 8.0 % Discount
Net Pension Liability	\$ 197,518	\$ 136,739	\$ 86,006

### **Municipal Police Employees' Retirement System of Louisiana**

**Plan Description** - All full-time police department employees engaged in law enforcement are eligible to participate in the System. Any member of the Plan who commenced participation in the Plan before January 1, 2013 is eligible for retirement provided he or she meets one of the following conditions:

- At any age and has 25 years of creditable service
- At age 50 and has 20 years of creditable service
- At age 55 and has 12 years of creditable service.

Retirees are entitled to a retirement benefit, payable monthly for life, equal to 3<sup>1</sup>/<sub>3</sub> percent of their final-average salary for each year of creditable service, not to exceed 100% of their final salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination.

Any member of the Plan who commenced participation in the Plan after January 1, 2013 is eligible for retirement based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for retirement provided he or she meets one of the following conditions:

- At any age and has 25 years of creditable service
- At age 55 and has 12 years of creditable service.

Under the Non-Hazardous Duty sub plan, a member is eligible for retirement provided he or she meets one of the following conditions:

- At any age and has 30 years of creditable service
- At age 55 and has 25 years of creditable service.

# **Town of Ball**

## **Notes To Financial Statements**

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- At age 60 and has 10 years of creditable service.

Under either Sub Plan, a member is eligible for early retirement after he or she has been a member of the System with 20 years of creditable service, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and 2 ½%, respectively, of average final compensation (Average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. The System also provides death and disability benefits for all members. Benefits are established or amended by state statute.

**Funding Policy** - Plan members are required by state statute to contribute a percent of their annual covered salary to the System. The percentage required for the measurement period ending June 30, 2020 is listed below:

Members hired prior to January 1, 2013 –	10.00%
Hazardous Duty Members hired after January 1, 2013-	10.00%
Non-Hazardous Duty Members hired after January 1, 2013 -	8.00%

The Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the plan were equal to the required contributions for each of the past three years.

**Financial Summary** – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at [lampers.org](http://lampers.org). The plans net pension liability was determined at June 30, 2020 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 3,180,974,031
Plan Fiduciary Net Position	2,256,740,977
Net Pension Liability	<u>924,233,054</u>
Town's Proportionate Share (Percentage)	0.117274%
Town's Proportionate Share (Amount)	<u>\$ 1,083,885</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2020 are provided as follows:

# **Town of Ball**

## **Notes To Financial Statements**

**June 30, 2021**

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Beginning Net Pension Liability		\$	950,288
Employer Contributions			(117,996)
<u>Pension Expense</u>			
Proportionate Share of Plan Pension Expense	214,554		
Changes in Benefit Terms	----		
Employee Contributions	(25,562)	188,992	
Change in Deferred Outflows of Resources			66,818
Change in Deferred Inflows of Resources			(4,217)
Ending Net Pension Liability		\$	<u>1,083,885</u>

There were no changes between June 30, 2021 and the Plan's measurement date (June 30, 2020) that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferred Resources</b>
Differences Between Expected and Actual Experience	\$ ----	\$ 42,693	\$ (42,693)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	130,034	----	130,034
Changes of Assumptions	25,756	26,749	(993)
Changes in Proportion	178,334	21,871	156,463
Employer Contributions Made After the Measurement Date	117,581	----	117,581
Total Deferrals	451,705	91,313	360,392
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	117,581	----	117,581
Deferrals Subject to Amortization	<u>\$ 334,124</u>	<u>\$ 91,313</u>	<u>\$ 242,811</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Measurement Period Ending</u>	
June 30, 2021	58,582
June 30, 2022	109,170
June 30, 2023	50,362
June 30, 2024	24,697
Total	<u>242,811</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost

# **Town of Ball**

## **Notes To Financial Statements**

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Investment Rate of Return	6.950 % per annum	
Expected Remaining Service Lives	4 Years	
Inflation Rate	2.5% per annum	
Projected Salary Increases Including Inflation and Merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1 - 2	12.30%
	3 & Over	4.70%
Mortality Rates	Pub 2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females. Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale.	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases.	

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Equity	48.50%	3.08%
Fixed Income	33.50%	0.54%
Alternatives	18.00%	1.02%
Other	0.00%	0.00%
Totals	100.00%	4.64%
Inflation		2.55%
Expected Arithmetic Nominal Return		7.19%

The discount rate used to measure the total pension liability was 6.950%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was then

# **Town of Ball**

## **Notes To Financial Statements**

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assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease 6.95% Discount Rate	Current Discount Rate 6.95%	1% Increase 7.95 % Discount
Net Pension Liability	\$ 1,522,743	1,083,885	\$ 717,018

### **NOTE 10 – INTERNAL BALANCES**

In some cases, the general fund collects funds on behalf of other funds and retains these funds until the resources are needed by the recipient fund. These internal balances are summarized as follows:

	<b><u>Interfund Receivables</u></b>	<b><u>Interfund Payables</u></b>
<b><u>Governmental Funds</u></b>		
General Fund	\$ 20,100	\$ ----
<b><u>Business Type Funds</u></b>		
Sewer System	----	(73,964)
Sanitation System	67,934	(14,070)
Total	88,034	(88,034)
Elimination of Interfund Activity	(67,934)	67,934
Government Wide Totals	<u>\$ 20,100</u>	<u>\$ (20,100)</u>



# **Town of Ball**

## **Notes To Financial Statements**

**June 30, 2021**

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### **NOTE 11 - TRANSFERS**

Transfers are attributable to providing excess Sewer and Sanitation Fund resources to other funds, summarized as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b><u>Governmental Funds</u></b>		
General Fund	\$ ----	\$ 37,294
<b><u>Business Type Funds</u></b>		
Sewer Fund	----	----
Sanitation Fund	27,263	(10,031)
Total	\$ 27,263	27,263
Elimination of Internal Activity	----	----
Government Wide Totals	<u>\$ 27,263</u>	<u>\$ (27,263)</u>

### **NOTE 12 – CONTINGENCIES:**

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at June 30, 2021 are described as follows:

#### **Litigation**

Like most governmental units with extensive and diverse operations, the Town is occasionally named as a defendant in litigation. At the present time, there are no matters pending that are expected to exceed the limits of insurance coverage.

#### **Grant Compliance**

The Town receives state and federal assistance through various grant programs. Grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

An investigation by FEMA of assistance received in connection with Hurricane Gustav resulted in the prosecution of several former Town Officials. As a result of these prosecutions, a former Mayor, Town Clerk and Police Chief have entered guilty pleas in criminal proceedings. In addition to the criminal prosecutions, it is possible that the Town could be required to repay a portion of the FEMA assistance but potential repayment amounts cannot be estimated at the present time.

#### **Criminal Proceedings**

The activities of certain former Town officials are the subject of an ongoing criminal prosecution. The eventual findings resulting from these proceedings could reveal matters with financial consequences that are not reported in the accompanying financial statements.

### **NOTE 13 – ON BEHALF PAYMENTS**

The State of Louisiana provides supplemental pay for public safety employees that meet certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are presented as follows:

# **Town of Ball**

## **Notes To Financial Statements**

**June 30, 2021**

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Police Department	\$ 19,404
Fire Department	<u>6,237</u>
Total	<u>\$ 25,641</u>

### **NOTE 14 - LEASING**

The Town of Ball entered into two lease agreements in the current year for the purchase of two Sanitation Trucks, a Knuckle Boom Loader, and various Sewer Equipment. The lease for the Sanitation Trucks and Knuckle Boom Loader has an initial lease term of 24 months (Monthly Payments of \$9,157), while the lease for the Sewer Equipment has an initial lease term of 36 months (Monthly Payments of \$3,366). Based on these terms, the value of the leased equipment has been determined as follows:

Leased Equipment	\$ 332,134
Accumulated Amortization	<u>90,272</u>
Leased Equipment (Net of Accumulated Amortization)	<u>\$ 241,862</u>

The lease obligation at year end is summarized below:

Lease obligation	\$ 235,637
Portion Due Within One Year	<u>146,680</u>
Portion Due Within More Than One Year	<u>\$ 88,957</u>

Principal and interest requirements associated with the underlying lease obligation are presented as follows:

	Payment	Principle	Interest
2022	\$ 150,277	\$ 146,680	\$ 3,595
2023	58,709	57,323	1,386
2024	<u>31,910</u>	<u>31,634</u>	<u>278</u>
Total Lease Obligation	<u>\$ 240,896</u>	<u>\$ 235,637</u>	<u>\$ 5,259</u>

### **NOTE 15 - LONG-TERM LIABILITIES**

The Town of Ball purchased several vehicles using installment purchases. These installment agreements are reported as governmental activities. The Town's long-term liabilities are summarized as follows:

# **Town of Ball**

## **Notes To Financial Statements**

**June 30, 2021**

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### **Debt Instruments**

Long-term liabilities include debt instruments that are summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b><u>Governmental Activities</u></b>				
Installment Purchase Agreements	\$ 206,521	\$ ----	\$ 48,165	\$ 158,356
<b><u>Business-Type Activities</u></b>				
Installment Purchase Agreements	23,413	----	11,964	11,449
Total Long-term Debts	<u>\$ 229,934</u>	<u>\$ ----</u>	<u>\$ 60,129</u>	<u>\$ 169,805</u>

### **Installment Purchase Agreements**

The Town has acquired a several police vehicles by entering into an installment purchase agreement. The purchase obligation outstanding at June 30, 2021 is described as follows:

Purchase agreement dated January 30, 2019 executed in exchange for 9 police vehicles, with an original balance of \$248,567, bearing interest of 5.21 %, payable in 60 (Beginning July of 2019) monthly installments of \$4,714. \$ 158,356

A schedule of maturities for the note is presented as follows:

	<u>Payment</u>	<u>Principle</u>	<u>Interest</u>
2022	\$ 56,574	\$ 50,405	\$ 6,169
2023	56,574	52,749	3,825
2024	56,573	55,202	1,371
Total Lease Obligation	<u>\$ 169,721</u>	<u>\$ 158,356</u>	<u>\$ 11,365</u>

The Town has acquired utility vehicles by entering into a capital lease purchase agreement. The purchase obligation outstanding at June 30, 2021 is described as follows:

Capital lease purchase agreement dated May 25, 2018 executed in exchange for utility vehicles, with an original balance of \$46,677, bearing interest of 4.50%, payable in 48 monthly installments of \$1,064. \$ 11,449

A schedule of maturities for the note is presented as follows:

	<u>Payment</u>	<u>Principle</u>	<u>Interest</u>
2022	\$ 11,708	\$ 11,449	\$ 259

# **Town of Ball**

## General Fund

### Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>	<u>2,171,040</u>	<u>2,286,299</u>	<u>2,380,484</u>	<u>94,185</u>
<b><u>Expenditures:</u></b>				
Current:				
General Government	524,981	517,307	450,286	67,021
Public Safety				
Police Department	750,000	768,531	717,260	51,271
Fire Department	307,300	326,950	318,703	8,247
Public Works (Highways and Streets)	629,650	624,911	585,416	39,495
Capital Expenditures	-	-	23,537	(23,537)
Debt Service	-	-	56,574	(56,574)
<b>Total Expenditures</b>	<u>2,211,931</u>	<u>2,237,699</u>	<u>2,151,776</u>	<u>85,923</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(40,891)	48,600	228,708	180,108
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from Long-Term Debt	-	-	-	-
Operating Transfers In (Out)	-	-	(27,263)	(27,263)
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	(40,891)	48,600	201,445	152,845
<b>Fund Balance (Deficit) - Beginning of Year</b>	<u>888,147</u>	<u>1,007,606</u>	<u>907,540</u>	<u>(100,066)</u>
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ 847,256</u>	<u>\$ 1,056,206</u>	<u>\$ 1,108,985</u>	<u>\$ 52,779</u>

# **Town of Ball**

## **Schedule of Net Pension Liability Data Cost Sharing Retirement Systems**

Retirement System / Measurement Date	Share of Collective Net Pension Liability		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Percent	Amount		Covered Payroll	Liability
<b>Municipal Employees' Retirement System</b>					
June 30, 2020	0.334996%	1,448,325	640,283	226.2%	64.5%
June 30, 2019	0.365237%	1,526,202	579,320	263.4%	64.7%
June 30, 2018	0.392412%	1,624,852	716,432	226.8%	63.9%
June 30, 2017	0.379910%	1,589,324	689,943	230.4%	62.5%
June 30, 2016	0.334469%	1,370,892	907,539	151.1%	62.1%
June 30, 2015	0.406275%	1,451,278	616,408	235.4%	66.2%
<b>Firefighters's Retirement System</b>					
June 30, 2020	0.019727%	136,739	49,115	278.4%	72.6%
June 30, 2019	0.020817%	130,354	50,313	259.1%	74.0%
June 30, 2018	0.020600%	118,493	49,630	238.8%	74.8%
June 30, 2017	0.021845%	125,212	51,125	244.9%	73.5%
June 30, 2016	0.021752%	142,278	45,966	309.5%	68.2%
June 30, 2015	0.005810%	31,363	31,388	99.9%	72.4%
<b>Municipal Police Employees' Retirement System</b>					
June 30, 2020	0.117274%	1,083,885	361,083	300.2%	70.9%
June 30, 2019	0.104638%	950,288	301,951	314.7%	71.0%
June 30, 2018	0.079236%	669,866	234,062	286.2%	71.9%
June 30, 2017	0.090544%	790,487	270,482	292.3%	70.1%
June 30, 2016	0.097950%	918,067	230,654	398.0%	66.0%
June 30, 2015	0.083390%	653,297	237,681	274.9%	70.7%

### **Notes to Schedule:**

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

# **Town of Ball**

## **Schedule of Employer Contributions Cost Sharing Retirement Systems**

Retirement System/ Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
<b>Municipal Employees' Retirement System</b>					
June 30, 2020	177,678	177,679	(1)	640,283	27.75%
June 30, 2019	175,792	175,792	-	579,320	30.34%
June 30, 2018	178,101	177,317	784	716,432	24.75%
June 30, 2017	157,589	156,962	627	689,943	22.75%
June 30, 2016	179,239	119,530	59,709	907,539	13.17%
June 30, 2015	121,740	138,386	(16,646)	616,408	22.45%
<b>Firefighters's Retirement System</b>					
June 30, 2020	13,629	13,629	-	49,115	27.75%
June 30, 2019	13,333	13,333	-	50,313	26.50%
June 30, 2018	13,028	12,997	31	49,630	26.19%
June 30, 2017	12,909	12,884	25	51,125	25.20%
June 30, 2016	12,526	13,386	(860)	45,966	29.12%
June 30, 2015	10,201	3,618	6,583	31,388	11.53%
<b>Municipal Police Employees' Retirement System</b>					
June 30, 2020	117,352	117,724	(372)	361,083	32.60%
June 30, 2019	105,113	105,384	(271)	301,951	34.90%
June 30, 2018	71,905	71,974	(69)	234,062	30.75%
June 30, 2017	85,821	85,878	(57)	270,482	31.75%
June 30, 2016	73,809	81,025	(7,216)	230,654	35.13%
June 30, 2015	67,145	70,320	(3,175)	237,681	29.59%

### **Notes to Schedule:**

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

# **Town of Ball**

## ***Schedule of Compensation Paid to Board Members For the year ended June 30, 2021***

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Gail Wilking	\$ 61,279
Suzanne Duncan-Furby	7,600
Kimberley Krischke	7,600
Carol Ward	7,600
Charlotte Smith	7,600
Marc Mereer	7,600
	<hr/>
Total	<u>\$ 99,279</u>

# **Town of Ball**

## ***Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the year ended June 30, 2021***

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	Agency Head (Mayor) G. Wilking	
<b>Purpose:</b>		
Compensation	\$	61,279
Retirement Contributions	\$	18,077
Insurance	\$	-
Payroll Taxes	\$	4,688
Reimbursements	\$	-



# **Town of Ball**

**Justice System Funding Schedule - Collecting / Disbursing Entity**  
**As Required by Act 87 of the 2020 Regular Legislative Session -**  
**Cash Basis Presentation**  
**For the Year Ended June 30, 2021**

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	<b>First Six Month Period Ended December 31, 2020</b>	<b>Second Six Month Period Ended June 30, 2021</b>
<b>Beginning Balance of Amounts Collected</b>	\$ 3,982	\$ 6,338
Add: Collections		
Criminal Criminal/Costs/Fees	183,709	268,309
Subtotal Collections	183,709	268,309
Less: Disbursements to Governments & Nonprofits		
CMIS Collections	1,665	2,859
Crime Stoppers of Cenla	1,412	1,904
DHH- TH/SCI T.F.	1,075	1,280
Louisiana Commission On Law Enforcement	1,078	1,866
Louisiana Supreme Court	162	598
Less: Amounts Retained by the Town of Ball		
Self Disbursed Court Cost	175,961	259,625
Subtotal Disbursements / Retainage	181,353	268,132
<b>Ending Balance of Amounts Collected but not Disbursed</b>	<b>\$ 6,338</b>	<b>\$ 6,515</b>

# **TOWN OF BALL**

## ***Summary of Findings***

***June 30, 2021***

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### ***PART I***

#### ***SUMMARY OF AUDITOR'S RESULTS***

- The Independent Auditor's Report on the financial statements for the Town of Ball as of June 30, 2021 and for the year then ended expressed an unmodified opinion.
- No significant internal control deficiencies that were considered to be a material weakness were reported.
- No instances of noncompliance material to the financial statements were reported.

### ***PART II***

#### ***FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:***

#### **NOT APPLICABLE**

The Town of Ball did not have any findings related to the financial statements which are required to be reported in accordance with Generally Accepted Governmental Auditing Standards.

### ***PART III***

#### ***FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133:***

#### **NOT APPLICABLE**

The Town of Ball did not receive sufficient Federal Awards to require an Audit under OMB Circular A-133.

# **TOWN OF BALL**

## **Management's Corrective Action Plan June 30, 2021**

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<b><u>SECTION I</u></b>	
<b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<b><u>There were no findings of this nature.</u></b>	<b><u>Due to the absence of findings no response necessary.</u></b>
<b><u>SECTION II</u></b>	
<b>MANAGEMENT LETTER</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<b><u>There were no findings of this nature.</u></b>	<b><u>Due to the absence of findings no response necessary.</u></b>

# **TOWN OF BALL**

## **Summary of Prior Year Findings**

**June 30, 2021**

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<b>SECTION I</b>	
<b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<b><u>There were no findings of this nature.</u></b>	<b><u>Due to the absence of findings no response necessary.</u></b>
<b>SECTION II</b>	
<b>MANAGEMENT LETTER</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<b><u>There were no findings of this nature.</u></b>	<b><u>Due to the absence of findings no response necessary.</u></b>