

**TOWN OF ST. JOSEPH, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended, June 30, 2022**

**TOWN OF ST. JOSEPH, LOUISIANA**

**For the Year Ended June 30, 2022**

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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Matt Alexander  
And Members of the Board of Alderman  
Town of St. Joseph, Louisiana

### **Report on Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements 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 St. Joseph, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United State of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of St. Joseph, Louisiana, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of St. Joseph, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of St. Joseph, Louisiana's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The schedule of insurance in force has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. The schedule of compensation paid to the members of the board of aldermen and the schedule of insurance in force are presented for purposes of additional analysis and are not a required part of the basic financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

The schedule of compensation, benefits and other payments to agency head, and the justice system funding schedules are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

*Bruno & Tervalon LLP*  
Lake Charles, Louisiana  
December 20, 2022

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

## **TOWN OF ST. JOSEPH, LOUISIANA**

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

For the Year Ended June 30, 2022

As management of the Town of Saint Joseph, we offer readers of the Town of Saint Joseph's financial statements this narrative overview and analysis of the financial activities of the Town of Saint Joseph for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

#### **FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- The assets and deferred outflows of resources of the Town of Saint Joseph exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$9,644,429. Of this amount, \$575,121 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased \$89,438 or 1%. Revenues were up in most categories compared to the prior year.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balances of \$614,786, an increase of \$136,120 or 28% in comparison with the prior year. Approximately 97% of this amount or \$594,631 was available for spending at the Town's discretion (unassigned fund balance).
- At the end of the current fiscal year, assigned fund balance for the governmental funds was \$20,155, or approximately 3% of total general fund expenditures.

#### **USING THIS ANNUAL REPORT**

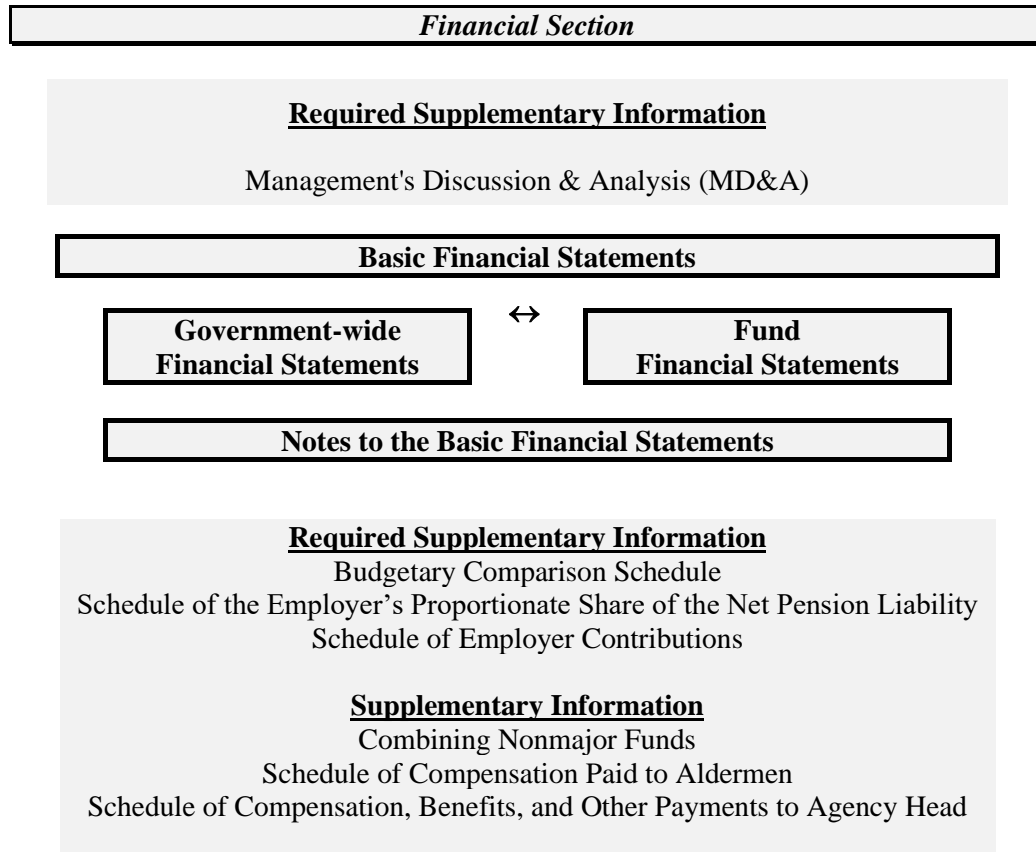
The Town's annual report consists of a series of financial statements that show information for the Town as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. For our governmental activities, the fund financial statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the Town's overall financial health. Fund financial statements also report the Town's operations in more detail than the government-wide financial statements by providing information about the Town's most significant fund, General Fund.



**TOWN OF ST. JOSEPH, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2022

The following chart reflects the information included in this annual report.



Our auditor will provide assurance in the independent auditor's report, which will be located immediately preceding the Management's Discussion and Analysis in the audited financial report, that the Basic Financial Statements are fairly stated. Varying degrees of assurance will be provided by the auditor regarding the Required Supplementary Information, and the Supplementary Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad view of the Town's finances, in a manner similar to a private sector business.

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

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving

## TOWN OF ST. JOSEPH, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The Statement of Activities is designed to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Town's governmental activities include general government, public safety, public works, health and welfare, and recreation and culture functions.

The business-type activities of the Town include sewer, water, and gas utilities.

#### **Fund financial statements**

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

#### **Governmental funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship (or differences) between the governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled in Statements D and F.

The Town maintains three governmental funds that are grouped for management purposes into various fund types. Information is presented separately in the governmental fund Balance Sheet and in the governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is the only major fund. Data from the other governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided to demonstrate compliance or lack thereof with the budget.

**TOWN OF ST. JOSEPH, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

**Proprietary funds**

The Town maintains one type of proprietary fund - Enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses its Enterprise Funds to account for its sewer, water, and gas utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

**Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government entity. For the year ended June 30, 2022, the Town had no fiduciary funds.

**THE TOWN AS A WHOLE**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Saint Joseph, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,554,991 at the close of the fiscal year ended June 30, 2022.

**Table 1  
Schedule of Net Position  
June 30, 2022**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b><u>ASSETS</u></b>						
Current and other assets	\$ 626,241	\$ 499,300	\$ 185,972	\$ 60,842	\$ 812,213	\$ 560,142
Capital assets	138,755	148,425	9,119,301	9,322,250	9,258,056	9,470,675
<b>TOTAL ASSETS</b>	<b>764,996</b>	<b>647,725</b>	<b>9,305,273</b>	<b>9,383,092</b>	<b>10,070,269</b>	<b>10,030,817</b>
Deferred outflows of resources	12,194	11,824	-	-	12,194	11,824
<b><u>LIABILITIES</u></b>						
Current and other liabilities	11,455	20,634	96,688	117,302	108,143	137,936
Long-term liabilities	30,517	43,099	283,533	293,060	314,050	336,159
<b>TOTAL LIABILITIES</b>	<b>41,972</b>	<b>63,733</b>	<b>380,221</b>	<b>410,362</b>	<b>422,193</b>	<b>474,095</b>
Deferred inflows of resources	15,841	13,555	-	-	15,841	13,555
<b><u>NET POSITION</u></b>						
Net investment in capital assets	138,755	148,425	8,826,241	9,019,967	8,964,996	9,168,392
Restricted	-	-	104,312	23,484	104,312	23,484
Unrestricted	580,622	433,836	(5,501)	(70,721)	575,121	363,115
<b>TOTAL NET POSITION</b>	<b>\$ 719,377</b>	<b>\$ 582,261</b>	<b>\$ 8,925,052</b>	<b>\$ 8,972,730</b>	<b>\$ 9,644,429</b>	<b>\$ 9,554,991</b>

**TOWN OF ST. JOSEPH, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

For the Year Ended June 30, 2022

By far, the largest amount of the Town's net position reflects its investment in capital assets of \$9,168,392 (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves can't be used to liquidate these liabilities.

An additional portion of the Town's net position, \$104,312 represents resources that are subject to external restrictions on how they may be used. Remaining for unrestricted net position is a surplus balance of \$575,121.

The results of this year's operations for the Town as a whole are reported in the Statement of Activities. Table 2 takes the information from that statement and rearranges it slightly so that readers can see the total revenues for the year.

**Table 2  
Changes in Net Position  
For the Years Ended June 30, 2022**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 158,560	\$ 115,422	\$ 755,868	\$ 725,663	\$ 914,428	\$ 841,085
Operating grants	-	3,692	150,634	-	150,634	3,692
General Revenue:						
Ad valorem taxes	47,064	44,745	-	-	47,064	44,745
Sales tax	148,807	122,752	-	-	148,807	122,752
License and permits	147,996	113,228	-	-	147,996	113,228
Income(loss) from jointly own gas operations and maintenance fund	-	-	(166)	564	(166)	564
Other general revenue	34,490	38,034	842	33,949	35,332	71,983
Total Revenue	<u>536,917</u>	<u>437,873</u>	<u>907,178</u>	<u>760,176</u>	<u>1,444,095</u>	<u>1,198,049</u>
Expenses:						
General government	164,161	160,848	-	-	164,161	160,848
Public safety	17,460	54,174	-	-	17,460	54,174
Public works	198,906	161,155	-	-	198,906	161,155
Culture and recreation	19,274	9,102	-	-	19,274	9,102
Utilities	-	-	954,856	913,091	954,856	913,091
Total Expenses	<u>399,801</u>	<u>385,279</u>	<u>954,856</u>	<u>913,091</u>	<u>1,354,657</u>	<u>1,298,370</u>
Changes in Net Position	137,116	52,594	(47,678)	(152,915)	89,438	(100,321)
Net Position, Beginning,	<u>582,261</u>	<u>529,667</u>	<u>8,972,730</u>	<u>9,125,645</u>	<u>9,554,991</u>	<u>9,655,312</u>
Net Position, Ending	<u>\$ 719,377</u>	<u>\$ 582,261</u>	<u>\$ 8,925,052</u>	<u>\$ 8,972,730</u>	<u>\$ 9,644,429</u>	<u>\$ 9,554,991</u>

# TOWN OF ST. JOSEPH, LOUISIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) For the Year Ended June 30, 2022

### Governmental activities

In the current year, governmental activities had an increase of \$137,116 in net position, compared to a \$52,594 increase in the prior year.

Sales tax revenue, which provided \$148,807 or 28% of revenue, was the second largest source of revenues for the Town's governmental activities. Charges for services was first at \$158,560, or 30%. Licenses and permits experienced an increase in collections of \$34,768 over the amounts reported in 2021. Other revenue types were consistent with the prior year.

The cost of all governmental activities this year was \$399,801. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through Town taxes was only \$241,241 because some of the cost was paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions.

Table 3 below presents the cost of each of the Town's governmental activities as well as each program net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**Table 3**  
**Governmental Activities**  
**Fiscal Years Ended June 30, 2022**

	Total Cost of Services			Net Cost of Services		
	2022	2021	Change	2022	2021	Change
<b>Governmental activities</b>						
General government	\$ 164,161	\$ 160,848	\$ 3,313	\$ 164,161	\$ 160,848	\$ 3,313
Public safety	17,460	54,174	(36,714)	17,460	50,482	(33,022)
Public works	198,906	161,155	37,751	40,346	45,733	(5,387)
Culture and recreation	19,274	9,102	10,172	19,274	9,102	10,172
<b>Total functions/ programs expenses</b>	<b>\$ 399,801</b>	<b>\$ 385,279</b>	<b>\$ 14,522</b>	<b>\$ 241,241</b>	<b>\$ 266,165</b>	<b>\$ (24,924)</b>

### Business-type activities

The decrease in net position for business-type operations for the current year was \$47,678 compared to a decrease of \$152,915 in the prior year. Charges for services increased \$30,205. Expenses increased \$41,765 or 5%.

### Financial Analysis of the Governmental Funds

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

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

**TOWN OF ST. JOSEPH, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

For the Year Ended June 30, 2022

resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$614,786 an increase of \$136,120, when compared with the prior year. \$594,631 of this total fund balance constitutes unassigned fund balance, which is available for spending at the Town's discretion and \$20,155 is assigned to specific purposes.

The general fund is the chief operating fund of the Town of Saint Joseph. At the end of the current fiscal year, fund balance of the general fund was \$594,631 which is an increase of \$136,120 from the \$458,511 fund balance reported for the prior fiscal year. Revenues increased from the \$479,207 reported in fiscal 2021 to \$535,600, an increase of \$56,393 or 12%. Expenditures increased \$35,617 or 9%. Expenditures for public works had the most significant increase.

**General Fund Budgetary Highlights**

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA - R.S. 39:1301 et seq.), the Town must adopt a budget for the General Fund and all Special Revenue funds prior to June 30. The original budget for the Town was adopted on May 11, 2020.

**Capital Assets and Debt Administration**

As for the year ended June 30, 2022, the Town had \$9,258,056 (net of accumulated depreciation) invested in a broad range of capital assets including land, buildings, improvements, machinery and equipment for its governmental and business-type activities. This amount represents a net decrease (including additions of \$116,620 and depreciation of \$329,239) of \$212,619, or 2%.

**Capital assets**

The following is a summary of the Town's capital assets:

	<b>Capital Assets</b>					
	<b>June 30, 2022</b>					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Nondepreciable assets:						
Land	\$ 28,810	\$ 28,810	\$ 7,886	\$ 7,886	\$ 36,696	\$ 36,696
Total nondepreciable assets	<u>28,810</u>	<u>28,810</u>	<u>7,886</u>	<u>7,886</u>	<u>36,696</u>	<u>36,696</u>
Depreciable assets, net:						
Building	39,900	44,091	-	-	39,900	44,091
Recreational assets	62,215	58,193	-	-	62,215	58,193
Water system	-	-	7,891,885	8,116,362	7,891,885	8,116,362
Water tower	-	-	471,125	484,719	471,125	484,719
Gas system	-	-	-	7,124	-	7,124
Sewer system	-	-	407,655	446,372	407,655	446,372
Equipment	7,830	17,331	71,292	7,777	79,122	25,108
Amphitheatre	-	-	269,458	252,010	269,458	252,010
Total depreciable assets, net	<u>109,945</u>	<u>119,615</u>	<u>9,111,415</u>	<u>9,314,364</u>	<u>9,221,360</u>	<u>9,433,979</u>
Total capital assets, net	<u>\$ 138,755</u>	<u>\$ 148,425</u>	<u>\$ 9,119,301</u>	<u>\$ 9,322,250</u>	<u>\$ 9,258,056</u>	<u>\$ 9,470,675</u>

## TOWN OF ST. JOSEPH, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

More detailed information about the Town's capital assets is presented in Note 6 of the Notes to the Financial Statements.

#### ***Long-term Debt***

The Town's business-type activities has one long-term bond debt at June 30, 2022, which was a \$423,000 revenue bond dated January 26, 2004. Installments are due in monthly payments of \$1,599 through January 26, 2044, with interest at 3.25%. The proceeds of these bonds were used to construct a water treatment plant. The outstanding balance at June 30, 2022, was \$293,060.

Another obligation for both the governmental and business-type activities is the net pension liability. We present more detailed information about our long-term liabilities in Note 9 of the Notes to the Financial Statements.

#### **Economic Factors and Future Outlook**

The Town's budgeted revenues and expenditures for 2023 are comparable to 2022's actual revenues and expenditures. The Town does not anticipate any changes in its day-to-day operations that will have a material effect on its 2022 budget of the general fund.

#### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Saint Joseph's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to Matthew Alexander, Mayor, Town of Saint Joseph; P.O. Box 217; Saint Joseph, LA 71366.

## **BASIC FINANCIAL STATEMENTS**



**BASIC FINANCIAL STATEMENTS :**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TOWN OF ST. JOSEPH, LOUISIANA**

**STATEMENT OF NET POSITION**

**June 30, 2022**

**Statement A**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 302,535	\$ 212,265	\$ 514,800
Receivables, net	26,406	78,172	104,578
Internal balances	297,300	(297,300)	-
Gas utility deposit	-	25,000	25,000
Restricted assets:			
Cash and cash equivalents	-	169,519	169,519
Investment in jointly owned gas line operation and maintenance fund	-	(1,684)	(1,684)
Capital assets:			
Land and construction in progress	28,810	7,886	36,696
Depreciable assets, net of depreciation	109,945	9,111,415	9,221,360
TOTAL ASSETS	764,996	9,305,273	10,070,269
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	12,194	-	12,194
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	7,724	20,763	28,487
Accrued payroll and benefits	3,731	1,191	4,922
Payable from restricted assets - customer and utility payments	-	65,207	65,207
Long-term liabilities:			
Due within one year	-	9,527	9,527
Due in more than one year	30,517	283,533	314,050
TOTAL LIABILITIES	41,972	380,221	422,193
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	15,841	-	15,841
<b>NET POSITION</b>			
Net investment in capital assets	138,755	8,826,241	8,964,996
Restricted	-	104,312	104,312
Unrestricted (deficit)	580,622	(5,501)	575,121
TOTAL NET POSITION	\$ 719,377	\$ 8,925,052	\$ 9,644,429

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

TOWN OF ST. JOSEPH, LOUISIANA

STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2022

Statement B

Functions/Programs	Expenses	Program Revenues			Primary Government Net (Expense) Revenue and Changes in Net Position		
		Charge for Services	Operating Grants	Capital Grants	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 164,161	\$ -	\$ -	\$ -	\$ (164,161)	\$ -	\$ (164,161)
Public safety	17,460	-	-	-	(17,460)	-	(17,460)
Public works	198,906	158,500	-	-	(40,346)	-	(40,346)
Culture and recreation	19,274	-	-	-	(19,274)	-	(19,274)
Total governmental activities	<u>399,801</u>	<u>158,500</u>	<u>-</u>	<u>-</u>	<u>(241,241)</u>	<u>-</u>	<u>(241,241)</u>
Business-type activity:							
Utility fund	<u>954,856</u>	<u>755,868</u>	<u>150,634</u>	<u>-</u>	<u>-</u>	<u>(48,354)</u>	<u>(48,354)</u>
Total Governmental Activities	<u>\$ 1,354,657</u>	<u>\$ 914,368</u>	<u>\$ 150,634</u>	<u>\$ -</u>	<u>\$ (241,241)</u>	<u>\$ (48,354)</u>	<u>\$ (289,595)</u>
General revenues							
Taxes:							
Ad valorem taxes					47,064	-	47,064
Sales taxes					148,807	-	148,807
License and permits					147,996	-	147,996
Fines and forfeitures					5,085	-	5,025
Use of money and property					20,594	-	20,594
Miscellaneous					8,871	842	9,713
Income (loss) from jointly owned gas operations and maintenance fund					-	166	166
Total general revenues					<u>378,417</u>	<u>1,008</u>	<u>379,365</u>
Changes in net position					137,116	(47,678)	(89,438)
Net Position - beginning					<u>582,261</u>	<u>8,972,730</u>	<u>9,554,991</u>
Net Position - ending					<u>\$ 719,377</u>	<u>\$ 8,925,052</u>	<u>\$ 9,644,429</u>

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

**TOWN OF ST. JOSEPH, LOUISIANA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022**

**Statement C**

	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 295,311	\$ 7,224	\$ 302,535
Receivables	26,406	-	26,406
Interfund receivables	<u>284,369</u>	<u>12,931</u>	<u>297,300</u>
Total assets	<u>606,086</u>	<u>20,155</u>	<u>626,241</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	7,724	-	7,724
Accrued payroll and benefits	<u>3,731</u>	<u>-</u>	<u>3,731</u>
Total liabilities	<u>11,455</u>	<u>-</u>	<u>11,455</u>
<b>FUND BALANCES</b>			
Assigned	-	20,155	20,155
Unassigned	<u>594,631</u>	<u>-</u>	<u>594,631</u>
Total fund balances	<u>594,631</u>	<u>20,155</u>	<u>614,786</u>
Total liabilities and fund balances	<u>\$ 606,086</u>	<u>\$ 20,155</u>	<u>\$ 626,241</u>

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

**TOWN OF ST. JOSEPH, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2022**

**Statement D**

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

Total fund balances for governmental funds (Statement C)	\$	614,786
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The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Town as a whole. The cost of those capital assets are allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	1,113,665	
Accumulated depreciation	<u>(974,910)</u>	138,755

Deferred outflows of resources are not available to pay current period expenditures, and therefore, are not reported in the governmental funds.	12,194
---	--------

Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the governmental funds.	(15,841)
---	----------

Long-term liabilities are not due and payable in the current period and accordingly, are not reported as fund liabilities. All liabilities - both current and long-term are reported in the Statement of Net Position.

Net pension liability	<u>(30,517)</u>
-----------------------	-----------------

Total net position of governmental activities	\$	<u><u>719,377</u></u>
---	----	-----------------------

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

**TOWN OF ST. JOSEPH, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2022**

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Statement E Total</u>
<b>Revenues:</b>			
Taxes			
Ad valorem	\$ 47,064	-	\$ 47,064
Sales and use	148,807	-	148,807
Charges for services	158,560	-	158,560
Licenses, permits and commission for services	147,996	-	147,996
Fines and forfeits	5,025	-	5,025
Use of money and property	20,594	-	20,594
Miscellaneous revenues	<u>7,554</u>	<u>-</u>	<u>7,554</u>
Total revenues	<u>535,600</u>	<u>-</u>	<u>535,600</u>
<b>Expenditures:</b>			
Current:			
General government	170,729	-	170,729
Public safety	12,892	-	12,892
Public works	192,563	-	192,563
Culture and recreation	14,246	-	14,426
Capital Outlay	<u>9,050</u>	<u>-</u>	<u>9,050</u>
Total expenditures	<u>399,480</u>	<u>-</u>	<u>399,480</u>
Excess (deficiency) of revenues over expenditures	136,120	-	136,120
Fund balances, beginning	<u>458,511</u>	<u>20,155</u>	<u>478,666</u>
Fund balances, ending	<u>\$ 594,631</u>	<u>\$ 20,155</u>	<u>\$ 614,786</u>

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

TOWN OF ST. JOSEPH, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2022

Statement F

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

Net changes in fund balances - total governmental funds (Statement E) \$ 136,120

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlays	-	
Depreciation	<u>(9,670)</u>	(9,670)

The recognition of pension expense in the statement of activities is based on projected benefits payments discounted to actuarial present value and attributed to periods of employee services. Pension expenditures in the governmental funds are the amounts actually paid.

10,666

Change in net position of governmental activities \$ 137,116

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

**TOWN OF ST. JOSEPH, LOUISIANA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2022**

	<b>Statement G</b>
<b>ASSETS</b>	<b>Utility Fund</b>
Current assets:	
Cash and cash equivalents	\$ 212,265
Receivables, net	78,172
Total current assets	290,437
Noncurrent assets:	
Gas utility deposit	25,000
Restricted cash and cash equivalents	169,519
Investment in jointly owned gas line operation and maintenance fund	(1,684)
Capital assets:	
Land	7,886
Depreciable assets, net of depreciation	9,111,415
Total noncurrent assets	9,312,136
Total assets	9,602,573
<b>LIABILITIES</b>	
Current liabilities :	
Accounts payable and accrued expenses	20,763
Accrued payroll and benefits	1,191
Interfund payable	297,300
Revenue bonds payable	9,527
Total current liabilities	328,781
Liabilities payable from restricted assets:	
Customer deposits	61,300
Utility payments	3,907
Total Liabilities Payable from Restricted Assets	65,207
Noncurrent liabilities:	
Revenue bonds payable	283,533
Net pension liability	-
Total noncurrent liabilities	283,533
Total liabilities	677,521
<b>NET POSITION</b>	
Net investment in capital assets	8,826,241
Restricted	104,312
Unrestricted (deficit)	(5,501)
Net position	\$ 8,925,052

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



**TOWN OF ST. JOSEPH, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION PROPRIETARY FUNDS  
For the Year Ended June 30, 2022**

	<b>Statement H</b>
	Utility Fund
Operating revenues:	
Water sales	\$ 381,459
Gas sales	250,543
Sewer sales	114,845
Other operating revenue	9,021
Total operating revenues	755,868
Operating expenses:	
Water expenses	413,333
Gas expenses	212,745
Sewer expenses	6,624
Depreciation	310,519
General and administrative	1,670
Total operating expenses	944,891
Operating income (loss)	(189,023)
Nonoperating revenues (expenses):	
Interest income	842
Transfer in	150,634
Income (loss) from jointly owned gas line operation and maintenance fund	0 (166)
Interest expense	(9,965)
Total Nonoperating revenues (expenses)	141,345
Change in net position	(47,678)
Net position, beginning	8,972,730
Net position, ending	\$ 8,925,052

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

TOWN OF ST. JOSEPH, LOUISIANA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2022

	<u>Statement I</u>
	<u>Utility Fund</u>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 746,097
Cash paid for employee services and benefits	(80,545)
Payments to others	(581,973)
Other receipts	<u>9,021</u>
Net cash provided (used) by operating activities	<u>92,600</u>
<b>Cash flows from investing activities</b>	
Earnings on investments	<u>842</u>
Net cash provided (used) by investing activities	<u>842</u>
<b>Cash flows from Non capital Financing Activities</b>	
Operating grant	<u>150,634</u>
Net cash provided (used) for non capital activities	<u>150,634</u>
<b>Cash flows from capital and related financing activities:</b>	
Transfer in	-
Acquisition of capital assets	(107,570)
Principal payment bonds	(9,223)
Interest expense	<u>(9,965)</u>
Net cash provided (used) for capital and related financing activities	<u>(126,758)</u>
<b>Net increase in cash and cash equivalents</b>	117,318
<b>Cash and cash equivalents, beginning of period</b>	<u>264,466</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 381,784</u>

(Continued)

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

TOWN OF ST. JOSEPH, LOUISIANA

STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2022

	<u>Statement I</u>
	<u>Utility Fund</u>
Reconciliation of operating income(loss) to net cash <b>Provided (used) by operating activities:</b>	
Operating income (loss)	\$ (189,023)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	310,519
(Increase) decrease in operating accounts receivable	(1,464)
Increase (decrease) in operating accounts payable	(26,505)
Increase (decrease) in interfund payable	(6,515)
Increase (decrease) in accrued payroll benefits	(1,641)
Increase (decrease) in deposits due others	6,350
Increase (decrease) in utility payment for others	<u>879</u>
Net cash provided (used) by operating activities	<u>\$ 92,600</u>

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

**BASIC FINANCIAL STATEMENTS :  
NOTES TO THE FINANCIAL STATEMENTS**

# TOWN OF ST. JOSEPH, LOUISIANA

## NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

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# TOWN OF ST. JOSEPH, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2022

### Note 1 - Summary of Significant Accounting Policies

#### A. Financial Reporting Entity

The accompanying financial statements include all funds and account groups of the Town of Saint Joseph, Louisiana (the Town). The accompanying financial statements of the Town have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Town consists of an executive branch of government headed by a mayor and a legislative branch of government consisting of five aldermen. The Town's major operations include police and fire protection, street and drainage maintenance, garbage and trash collection, and administrative services. The Town also operates a Utilities Enterprise Fund to provide gas, sewerage and water services.

As the governing authority for the municipality, the Town is the reporting entity for the municipality. 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 the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB standards establish criteria for determining which component units should be considered part of the Town for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is accountability. These criteria include:

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

Based on the foregoing criteria, the Town does not have any component units to be reported.

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

#### B. Basis of Presentation

The Town's basic financial statements consist of the government-wide statements on all activities of the government and the fund statements (individual major funds and combined nonmajor funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

# TOWN OF ST. JOSEPH, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2022

### **Government-wide Financial Statements**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the government. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Town as an entity and the change in the aggregate financial position resulting from the activities of the fiscal period. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

Governmental Activities represent programs which normally are supported by taxes and intergovernmental revenues.

Business-type Activities are financed in whole or in part by fees charged to external parties for goods and services.

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

### **Fund Financial Statements**

The Town uses funds, both major and nonmajor, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenue and expenditures or expenses, as appropriate.

Emphasis of fund reporting is on the major fund level in either the governmental or business-type categories. Nonmajor funds (by category) or fund types are summarized into a single column in the basic financial statements.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the provision of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The Town's current operations require the use of the governmental and proprietary categories.

## TOWN OF ST. JOSEPH, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

#### Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service payments and claims and judgments are recorded only when payment is due. General asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources.

The Town reports the following major governmental fund:

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

#### *Revenues:*

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October of each year and are actually billed to the taxpayer in November. Billed taxes become delinquent on December 31. Revenues from ad valorem taxes are budgeted in the year billed to the extent of collections expected. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Tensas Parish.

Sales taxes are considered "measurable" when in the hands of the intermediary collecting governments and are recognized as revenues at that time.

Interest earnings on time deposits are recognized as revenue when the time deposits have matured, and the interest is available. Substantially all other revenues are recognized when actually received by the Town.

#### Proprietary Funds

The Town reports one type of proprietary fund, an enterprise fund. Enterprise funds are used to account for operations (a) that financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds are presented in the business-type activities column in the government-wide financial statements and the major funds section of the basic financial statements. Enterprise funds are reported using the economic resources measurement focus and the accrual basis of accounting.



## TOWN OF ST. JOSEPH, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

#### *Proprietary funds operating and non-operating revenues and expenses:*

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Revenues are recognized when they are earned and expenses are recognized when they are incurred.

The Town reports the following major enterprise fund:

Utility Fund - This fund accounts for the operations of the Town's water, sewer, and gas services.

#### **C. Budgets and Budgetary Accounting**

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

1. The proposed budget is submitted by the Town Clerk and the Mayor to the Board of Aldermen prior to July of the ensuing year. Notice of the location and availability of the proposed budget for the public inspection and the date of the public hearing to be conducted on the budget is then advertised in the official journal of the Town at least 15 days prior to the date of the hearing.
2. After the public hearing, the budget is adopted by passing an ordinance approving the budget at the selected June board meeting.
3. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
4. All legally adopted budgets of the Town are adopted on a basis consistent with GAAP. A budget is adopted for the General Fund; encumbrance accounting is not used by the Town.
5. Appropriations (unexpended budget balances) lapse at year end.

#### **D. Cash and Cash Equivalents and Investments**

Under state law, the Town may deposit in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or national banks having their principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the LAMP, a non-profit corporation formed by an initiative of the State Treasurer and organized under the Laws of the State of Louisiana, which operates as a local government investment pool.

## TOWN OF ST. JOSEPH, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the Statement of Cash Flows, cash equivalents include all highly liquid investments (including restricted assets) with a maturity date of three months or less when purchased.

The Town participates in the Louisiana Asset Management Pool, Inc. (LAMP) which is an external investment pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 228 Saint Charles Avenue, Suite 1123, New Orleans, LA 70130 or contact the LAMP administrative office at 800-249-5267.

#### **E. Interfund Receivables and Payables**

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as "due from/due to other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

#### **F. Capital Assets**

Under GASB Statement No. 34, capital assets, which include buildings, other improvements, machinery and equipment, vehicles, and furniture and fixtures, are reported and depreciated in the applicable government or business-type activities column of the governmental-wide financial statements. No long term capital assets or depreciation are shown in the governmental fund statements.

As permitted by GASB Statement No. 34, the Town has elected not to capitalize infrastructure assets retroactively such as: streets, sidewalks, drainage and street lighting.

All purchased capital assets are recorded at cost where historical records are available and at estimated cost where no historical records are available. Donated capital assets are valued at their acquisition value at date of gift. Major additions are capitalized while maintenance and repairs that do not improve or extend the life of the respective assets are charged to expense. Interest is capitalized on business-type

# TOWN OF ST. JOSEPH, LOUISIANA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

activities' funds used during construction of projects acquired with bond funds. The Town maintains a threshold level of \$1,500 or more for capitalizing capital assets.

Capital assets are depreciated over the estimated useful lives of the assets using the straight-line method. Estimated useful lives are as follows (in years):

Buildings	26 to 40 years
Water System	4 to 40 years
Sewerage System	40 years
Gas Transmission and Distribution System	40 years
Office Equipment	3 to 10 years
Equipment	3 to 20 years
Vehicles	5 years

### G. Long-term Liabilities

In the government-wide statement of net position and in the proprietary fund type financial statements, long-term debt is reported as liabilities.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS) and additions to/deductions from MERS's fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### H. Fund Equity

GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

*Nonspendable* - Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

*Restricted* - Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

*Committed* - Fund balance that can only be used for specific purposes determined by the Town's highest level of decision making authority. The Board of Aldermen is the highest level of decision making authority for the Town. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

## TOWN OF ST. JOSEPH, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

*Assigned* – Fund balance that is constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board of Aldermen. The Town’s policy does not address assignment of fund balance.

*Unassigned* – Fund balance that are available for any purpose. These amounts are reported only in the general fund.

When both restricted and unrestricted resources are available for use, the Town uses restricted resources first, then unrestricted resources as needed. The Town reduces committed amounts, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for the purposes for which amounts in any of those unrestricted fund balances could be used.

The Town establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Aldermen through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

#### **I. Deferred Outflows and Inflows of Resources**

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until the future period in which it applies. In other instances, governments are required to delay recognition of increases in net position as revenues until the future period in which it applies. In these circumstances deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. The Town reports deferred outflows and inflows of resources related to its pension plan.

#### **J. Bad Debts**

Uncollectible amounts for ad valorem taxes are generally not significant. As a result, the direct write-off method for recognizing bad debts is used. Under this method, the receivable is charged to expense when the account is deemed to be uncollectible. The length of time of availability for purposes of revenue recognition in the governmental fund is 60 days. The Town uses the allowance method for recognizing bad debts for customers' utility receivables.

#### **K. Compensated Absences**

Vacation time is accrued based on the number of years in service. It must be used before the end of the year and cannot be carried over. Sick time is accrued at an annual rate of 80 hours per year and cannot be carried over from year to year.

#### **L. Net Position**

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when

# TOWN OF ST. JOSEPH, LOUISIANA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

there are limitations imposed on its use by external parties such as creditors, grantors, laws or regulations of other governments. The Town first applies restricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net position are available. None of the restricted net position reported in the Statement of Net Position is restricted through enabling legislation.

### M. Use of Estimates

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

### Note 2 - Cash and Cash Equivalents and Investments

At June 30, 2022, the Town had cash and cash equivalents totaling \$684,319 as follows:

Petty Cash	\$	850
Demand Deposits		682,113
LAMP Deposits		<u>1,356</u>
Total	\$	<u><u>684,319</u></u>

Demand deposits are stated at cost, which approximates market value. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or pledged securities owned by the fiscal agent bank. The market value of pledged securities plus 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. The bank balance of \$437,665 at June 30, 2022. Of the bank balance, \$379,689 was covered by federal depository insurance and \$57,976 by pledged securities. The Town's policy does not address custodial credit risk.

### Investments

At June 30, 2022, the Town has \$1,354 invested in the Louisiana Asset Management Pool reported as cash and cash equivalents. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2022

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days.
  
- Foreign currency risk: Not applicable to 2a7-like pools.

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 228 Saint Charles Avenue, Suite 1123, New Orleans, LA 70130 or contact the LAMP administrative office at 800-249-5267.

**Note 3 - Receivables**

Receivables as of June 30, 2022, are comprised of the following:

Fund	Sales Tax	Franchise Tax	Video Poker	Accounts	Total
General Fund	\$ 12,564	\$ 9,565	\$ 4,277	\$ -	\$ 26,406
Utility Fund	-	-	-	114,295	114,295
Utility Fund - Allowance for Doubtful Accounts	-	-	-	(36,123)	(36,123)
Total	\$ 12,564	\$ 9,565	\$ 4,277	\$ 78,172	\$ 104,578

**Note 4 - Internal Balances**

*Due from/to other funds:*

Receivable Fund	Amount	Payable Fund	Amount
General Fund	\$ 284,369	Utility Fund	\$ 284,369
Nonmajor Governmental	12,931	Utility Fund	12,931
Total	\$ 297,300		\$ 297,300

The Utility Fund bills and collects for trash and garbage services of the General Fund. At June 30, 2022, the Utility Fund owed the General Fund mainly for trash and garbage fees.

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2022

At this time management does not believe these loans will be repaid by June 30, 2023.

**Note 5 - Ad Valorem Taxes**

Property taxes are levied by the Town in September or October each year and are actually billed to the taxpayers in November. Property taxes become due and are attached as an enforceable lien on property as of December 31. Billed taxes become delinquent on January 1 of the year following the year in which the taxes are due. The collection of the property taxes occurs in December and in January and February of the next year.

The Town bills and collects its own property taxes using the assessed value as determined by the tax assessor of Tensas Parish.

The ad valorem tax mileage is as follows:

	<u>Mills</u>
General Ad Valorem Tax	8.87

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**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2022

**Note 6 - Changes in Capital Assets**

The changes in capital assets are as follows:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
Governmental activities:				
Nondepreciable assets:	\$ 28,810	\$ -	\$ -	\$ 28,810
Land	28,810	-	-	28,810
Depreciable assets:				
Buildings	470,339	-	-	470,339
Recreational assets	97,551	9,050	-	106,601
Equipment	507,915	-	-	507,915
Total depreciable capital assets	1,075,805	9,050	-	1,084,855
Less accumulated depreciation:	(956,190)	(18,720)	-	(974,910)
Total depreciable capital assets, net	119,615	(9,670)	-	109,945
 Total governmental activities capital asset, net	 \$ 148,425	 \$ (9,670)	 \$ -	 \$ 138,755
Business-type activities:				
Nondepreciable assets:	\$ 7,886	\$ -	\$ -	\$ 7,886
Land	7,886	-	-	7,886
Depreciable assets:				
Water system	9,192,990	13,579	-	9,206,569
Water tower	543,776	-	-	543,776
Gas system	730,463	-	-	730,463
Sewer system	2,030,354	-	-	2,030,354
Service equipment	199,951	67,481	-	267,432
Office equipment	14,534	-	-	14,534
Wireless communication equipment	1,419	-	-	1,419
Amphitheatre	335,948	26,510	-	362,458
Total capital assets	13,049,435	107,570	-	13,157,005
Less accumulated depreciation:	(3,735,071)	(310,519)	-	(4,045,590)
Total depreciable capital assets, net	9,314,364	(202,949)	-	9,111,415
 Total business-type activities capital asset, net	 \$ 9,322,250	 \$ (202,949)	 \$ -	 \$ 9,119,301

Depreciation of \$18,720 as of June 30, 2022, was charged to expense in the business-type activities: Utility Fund. Depreciation charged to governmental activities is as follows:



**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

General government	\$ 2,780
Public safety	4,569
Public works	6,342
Culture and recreation	<u>5,029</u>
Total	<u>\$ 18,720</u>

**Note 7 - Pension Plan - Municipal Employees' Retirement System**

Plan Description: Employees of the Town are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:1731 to provide retirement, disability, and survivor benefits to employees of all incorporated villages, towns and cities throughout the State of Louisiana. Municipal Employees' Retirement System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Town employees participate on a voluntary basis and are members of Plan B. The System issues a publicly available financial report that may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana, 70809, or by calling (225) 925-4810.

Benefits provided: The following is a description of the Plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits: Any member of Plan B, who was hired before January 1, 2013, can retire providing the member meets one of the following criteria:

- a. Any age with thirty years of creditable service.
- b. Age 60 with a minimum of ten or more years of creditable service.
- c. Eligible for disability benefits at any age with ten years of creditable service.
- d. Survivor's benefits require five years of creditable service at death of member.

Eligibility for retirement for Plan B members hired on or after January 1, 2013, is as follows:

- a. Age 67 with seven or more years of creditable service.
- b. Age 62 with ten or more years of creditable service.
- c. Age 55 with thirty or more years of creditable service.
- d. Any age with twenty-five years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits: Upon death of any member of Plan B with five or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

## TOWN OF ST. JOSEPH, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

Any member of Plan B, who is eligible for normal retirement at the time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

*DROP Benefits:* The System has established a DROP plan. When members enter DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period up to three years. The election is irrevocable once participation begins. During participation, benefits otherwise payable are fixed and deposited in an individual DROP account. Upon leaving DROP, members must choose among available alternatives for the distribution of benefits that have accumulated in their DROP accounts.

*Disability Benefits:* For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service; in which he would receive a regular retirement under retirement provisions. A member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of thirty percent of his final average compensation or two percent of his final average compensation multiplied by his years of creditable service, whichever is greater; or an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service, projected to his earliest normal retirement age.

*Deferred Benefits:* Plan B provides for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at the time of withdrawal.

*Cost of Living Adjustments:* The System is authorized under state law to grant a cost of living increase (COLA) to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional COLA to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

*Contributions:* According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2021, the actual employer contribution rate was 14% for Plan B. The actuarially determined rate is the rate calculated to provide employer contributions that, when combined with employee contributions, is expected to finance the cost of benefits earned by the employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. For the year ended June 30, 2022, employer contributions to the pension plan from the Town were \$10,906 (\$10,906 for governmental activities and

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

\$-0- for business-type activities), and non-employer contributions were \$1,323 of which all was recognized as revenue in the governmental activities.

Pension Liabilities: Pension Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension: At June 30, 2022, the Town reported liabilities of \$43,099 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2021, and the total pension liabilities used to calculate NPL were determined by actuarial valuations as of that date. The Town's proportions of the NPL were based on projections of the long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 202, the most recent measurement date, the Town's proportions and the changes in proportion from the prior measurement date were 0.052678 %, or a decrease of 0.005119%

Information on the actuarial valuation and assumptions is as follows:

Valuation date	June 30, 2021
Actuarial cost method	Entry age normal cost
Expected remaining service	3 years
Investment rate of return	6.95% , net of pension plan investment expense, including inflation
Inflation rate	2.50%
Salary increase, including inflation and merit increases:	
1 to 4 years of service	6.4%-Plan A and 7.4%-Plan B
More than 4 years of service	4.5%-Plan A and 4.9%-Plan B
Annuitant and beneficiary mortality	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 mortality	PubG-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales.

Discount Rate: 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 return, 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

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2022

future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

For the year ended June 30, 2022, the Town recognized a total pension expense of \$3,309. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ 160
Changes in assumptions	1,325	6,335
Net difference between projected and actual earnings on pension plan investments	-	8,246
Changes in proportion and difference between employer contributions and proportionate share	2,713	-
Employer contributions subsequent to the measurement date	8,246	-
Total	\$ 12,284	\$ 14,741

Deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the Town's NPL in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Governmental Activities
2022	(6,431)
2023	(425)
2024	(2,139)
2025	(2,898)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation in the June 30, 2022, valuation, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Public equity	53%	2.31%
Public fixed income	38%	1.65%
Alternatives	9%	0.39%
Totals	100%	4.35%
Inflation		2.60%
Expected arithmetic nominal return		6.95%

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2022

The discount rate used to measure the total pension liability was 6.85%. 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 benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

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:

	Changes in Discount Rate		
	1% Decrease	Current	1% Increase
	<u>5.85%</u>	<u>6.85%</u>	<u>7.85%</u>
Net Pension Liability	\$46,819	\$30,517	\$16,728

Pension Plan Fiduciary Net Position: Detailed information about the System's fiduciary net position is available in the separately-issued financial report referenced previously.

Payables to the Pension Plan: At June 30, 2022, the Town is payable to the System for the employee and employer legally required contributions was \$899.

**Note 8 – Municipal Police Employees’ Retirement System of Louisiana**

The Town of St. Joseph was allowed by the State of Louisiana to withdraw from participating in the Municipal Police Employees Retirement System (“MPERS”) at the end of the fiscal year June 30, 2021. The Town had no police officers participating in the program for the current fiscal year.

MPERS refunded all contributions made by the police officers during the year ended June 30, 2020. The Town was refunded the contributions made to the pension program. Going forward, the Town will have no additional liability or benefit related to the program after being completely withdrawn from the pension program.

**Note 9 - Long-Term Debt**

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

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2022

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities</u>					
Net pension liability	\$ 43,099	\$ -	\$ 12,582	\$ 30,517	\$ -
<u>Business-type Activities</u>					
Revenue bonds	302,283	-	9,233	293,060	9,527
Long-term liabilities	<u>\$ 345,382</u>	<u>\$ -</u>	<u>\$ 21,805</u>	<u>\$ 323,577</u>	<u>\$ 9,527</u>

Bonds payable at June 30, 2022, is comprised of the following issue:

Business-type Activities: Utilities Enterprise Fund

Revenue Bonds:

\$423,000 revenue bonds dated January 26, 2004, due to monthly installments of \$1,599 through January 26, 2044; interest at 3.25%. \$ 293,060

The principal and interest requirements of long-term obligations of the Town are due as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	9,527	9,660	19,187
2024	9,841	9,346	19,187
2025	10,166	9,021	19,187
2026	10,501	8,686	19,187
2027	10,848	8,339	19,187
2028-2032	59,847	36,089	95,936
2033-2037	70,392	25,544	95,936
2038-2042	82,794	13,142	95,936
Thereafter	29,144	796	29,940
Total	<u>\$ 293,060</u>	<u>\$ 120,623</u>	<u>\$ 413,683</u>

**Note 10 - Intergovernmental Agreement - Gas Transmission and Distribution Operations**

The Town of Saint Joseph, Louisiana owns jointly with the Town of Newellton, Louisiana a gas pipeline, which transports natural gas to the Towns. The jointly owned line is operated independently of the Towns. The carrying value of the investment is recorded on the equity method. The annual net income is added to the investment and cash withdrawals, and net losses are deducted from the investment value. A summary of the statement of net position of the Towns of Newellton and Saint Joseph, Louisiana Jointly Owned Gas Line Operations and Maintenance Fund (Joint Line) as of June 30, 2022, is as follows:

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2022

<b>Assets</b>	
Cash and cash equivalents	\$ 6,021
Total Assets	6,021
 <b>Liabilities</b>	
Accounts payable and accrued expenses	9,226
Customer deposits	162
Total Liabilities	9,388
<b>Net Position (Deficit) - Unrestricted</b>	(3,367)
Total Liabilities and Net Position	\$ 6,021

The Joint Line's net position decreased \$333 in the fiscal 2022 from the results of operations. The Joint Line issues a separate financial statement that can be obtained by contacting the Town of Newellton. The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Fund Net Position are included in this report as Exhibits 9 and 10.

**Note 11 - Accounts Payable and Accrued Expenses**

Accounts payable and accrued expense of \$33,409 as of June 30, 2022, are comprised of the following:

	General Fund	Utility Fund	Total
Vendor payable	\$ 11,455	\$ 21,954	\$ 33,409

**Note 12 - Risk Financing Activities**

The Town of Saint Joseph is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employee; and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy. Claims resulting from these risks that are covered by insurance have historically not exceeded insurance coverage.

**Note 13 – Contingencies and Commitments**

Litigation: The Town is a defendant in various lawsuits. Management and the Town's legal counsel believe that the probable outcome of these lawsuits will not materially affect the Town's financial position.

**Note 14 – Covid-19 Pandemic**

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of impact of the COVID-19 pandemic on the Town’s operational and financial performance will depend on certain developments, including the duration and

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

spread of the outbreak and the impact on its investments, customers, employees and vendors, all of which are uncertain and cannot be predicted or reasonably estimated at this time.



**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF ST. JOSEPH, LOUISIANA**

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2022**

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

**Exhibit 1**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Taxes				
Ad valorem	\$ 49,500	\$ 44,730	\$ 47,064	\$ 2,334
Sales and use	107,000	114,192	148,807	34,615
Charges for services	108,100	98,496	158,560	60,064
Licenses, permits and commissions for services	93,400	106,909	147,996	41,087
Intergovernmental revenues	12,000	3,588	-	(3,588)
Fines and forfeitures	675	1,725	5,025	3,300
Use of money and property	17,300	19,655	20,594	939
Other revenues	<u>14,228</u>	<u>55,245</u>	<u>7,554</u>	<u>(47,691)</u>
Total Revenues	<u>402,203</u>	<u>444,540</u>	<u>535,600</u>	<u>91,060</u>
Expenditures				
General government	148,524	149,903	170,729	(20,826)
Public safety	103,875	45,273	12,892	32,381
Public works	147,880	139,612	192,563	(52,951)
Culture and recreations	-	-	14,246	(14,246)
Capital outlay	<u>-</u>	<u>-</u>	<u>9,050</u>	<u>(9,050)</u>
Total Expenditures	<u>400,279</u>	<u>334,788</u>	<u>399,480</u>	<u>(64,692)</u>
Excess of Revenues over Expenditures	1,924	109,752	136,120	26,368
Other Financing Sources (Uses)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,924	109,752	136,120	26,368
Budgetary Fund Balances, Beginning	<u>458,511</u>	<u>458,511</u>	<u>458,511</u>	<u>-</u>
Budgetary Fund Balances, Ending	<u>\$ 460,435</u>	<u>\$ 568,263</u>	<u>\$ 594,631</u>	<u>\$ 26,368</u>

See independent auditors' report.

**TOWN OF ST. JOSEPH, LOUISIANA**

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
For the Year Ended June 30, 2022  
MERS**

**Exhibit 2**

Fiscal Year	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.073909%	\$ 34,700	54,025	64.23%	76.94%
2016	0.069405%	47,171	48,156	97.95%	68.71%
2017	0.066937%	55,485	48,504	114.39%	63.34%
2018	0.063455%	54,903	46,658	117.67%	62.49%
2019	0.072969%	61,719	54,101	114.08%	71.89%
2020	0.072301%	63,250	55,274	114.43%	66.14%
2021	0.047559%	43,099	36,854	116.95%	66.26%
2022	0.052678%	30,517	37,484	81.41%	79.14%

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

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

See independent auditors' report.

**TOWN OF ST. JOSEPH, LOUISIANA**

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
For the Year Ended June 30, 2022  
MERS**

**Exhibit 3**

Fiscal year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contribution as a % of Covered Employee Payroll
2015	\$ 4,867	\$ 4,867	\$ -	\$ 48,156	10.1%
2016	4,608	4,608	-	48,504	9.5%
2017	5,132	5,132	-	46,658	11.0%
2018	7,165	7,165	-	54,101	13.2%
2019	7,738	7,738	-	55,274	14.0%
2020	5,160	5,160	-	36,854	14.0%
2021	7,684	7,684	-	37,484	15.5%
2022	8,246	8,246	-	53,200	15.5%

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

See independent auditors' report.

**TOWN OF ST. JOSEPH, LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended June 30, 2022

**Note A – General Budget Practices**

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

1. The proposed budget is submitted by the Town Clerk and the Mayor to the Board of Aldermen prior to July of the ensuing year. Notice of the location and availability of the proposed budget for the public inspection and the date of the public hearing to be conducted on the budget is then advertised in the official journal of the Town at least 15 days prior to the date of the hearing.
2. After the public hearing, the budget is adopted by passing an ordinance approving the budget at the selected June board meeting.
3. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
4. All legally adopted budgets of the Town are adopted on a basis consistent with GAAP. A budget is adopted for the General Fund; encumbrance accounting is not used by the Town.
5. Appropriations (unexpended budget balances) lapse at year end.

**Note B – Net Pension Liability (MERS)**

**Changes in Benefit Terms**

There were no changes in investment rate of return.

**Changes in Assumptions**

There were no changes in assumption for the fiscal year ended June 30, 2022.

## **SUPPLEMENTARY INFORMATION**

TOWN OF ST. JOSEPH, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2022

Exhibit 4

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>Downtown Revitalization</u>	<u>Lake Bruin</u>	
Assets			
Cash and cash equivalents	\$ 2,113	\$ 5,111	\$ 7,224
Interfund balance	<u>(50)</u>	<u>12,981</u>	<u>12,931</u>
Total assets	<u>2,063</u>	<u>18,092</u>	<u>20,155</u>
Fund Balances			
Assigned	<u>2,063</u>	<u>18,092</u>	<u>20,155</u>
Total fund balances	<u>\$ 2,063</u>	<u>\$ 18,092</u>	<u>\$ 20,155</u>

See independent auditors' report.

TOWN OF ST. JOSEPH, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2022

Exhibit 5

	<u>Special Revenue Funds</u>		
	<u>Downtown</u>		<u>Total</u>
	<u>Revitalization</u>	<u>Lake Bruin</u>	
Assets			
Local sources:			
Use of money and property	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
General and administrative	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over expenditures	-	-	-
Fund balances - beginning	<u>2,063</u>	<u>18,092</u>	<u>20,155</u>
Fund balances - ending	<u>\$ 2,063</u>	<u>\$ 18,092</u>	<u>\$ 20,155</u>

See independent auditors' report.



TOWN OF ST. JOSEPH, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO ALDERMAN  
For the Year Ended June 30, 2022

**Exhibit 6**

<u>Council Members:</u>	<u>Amount</u>
Theodore Jackson	3,000
John Lewis	3,000
Jerry Newman	3,000
Carl Olds, Jr.	3,000
LaPeteria Watson	<u>3,000</u>
 Total Council Members' Compensation	 <u>\$ 15,000</u>

The schedule of compensation paid to the Council Members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Council Members are included in the general administrative expenditures of the General Fund. The Council Members receive compensation pursuant to Louisiana Revised Statute 404.1.

See independent auditors' report.

**TOWN OF ST. JOSEPH, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD  
For the Year Ended June 30, 2022**

**Exhibit 7**

**Agency Head Name: Mayor Matthew Alexander**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 9,000
Benefits - Social Security and Medicare	661
Reimbursement - Materials and Supplies	<u>697</u>
Total Compensation, Benefits, and Other Payments to Agency Head	<u>\$ 10,358</u>

See independent auditors' report.

TOWN OF ST. JOSEPH, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY  
Year Ended June 30, 2022

Exhibit 8

Cash Basis Presentation	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>06/30/2022</u>
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	\$ 1,725.00	\$ 6,750
<b>Add: Collections</b>		
Criminal Fines - Other	5,025	-
<b>Subtotal Collections</b>	<u>5,025</u>	<u>6,750</u>
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
<b>Subtotal Disbursements/Retainage</b>	<u>-</u>	<u>-</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<u>\$ 6,750</u>	<u>\$ 6,750</u>

**Other Information:**

Ending Balance of Total Amounts Assessed but not yet Collected (*i.e. receivable balance*)

Total Waivers During the Fiscal Period (*i.e. non-cash reduction of receivable balances, such as time served or community service*)

## **OTHER INFORMATION**

TOWN OF ST. JOSEPH, LOUISIANA

TOWNS OF NEWELTON AND ST. JOSEPH  
JOINTLY OWNED GAS LINE OPERATION AND MAINTENANCE FUND  
STATEMENT OF NET POSITION  
June 30, 2022  
UNAUDITED

Exhibit 9

Assets:	
Cash and cash equivalents	\$ 6,021
Total assets	<u>6,021</u>
Liabilities and Net Position:	
Accounts payable and accrued expenses	9,226
Customer deposits	<u>162</u>
Total liabilities	<u>9,388</u>
Net Position:	
Unrestricted	<u>(3,367)</u>
Total Net Position	<u>(3,367)</u>
Total Liabilities and Net Position	<u>\$ 6,021</u>

See independent auditors' report

TOWN OF ST. JOSEPH, LOUISIANA

TOWNS OF NEWELTON AND ST. JOSEPH  
JOINTLY OWNED GAS LINE OPERATION AND MAINTENANCE FUND  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
For the Year Ended June 30, 2022  
UNAUDITED

	<u>Exhibit 10</u>
Operating Revenues	
Changes for services	\$ 7,864
Other revenues	<u>3,010</u>
Total Operating Revenues	<u>10,874</u>
 Operating Expenses	
Salaries and wages	7,200
Payroll taxes	604
Leake survey	1,631
Repair and maintenance	1,194
Other	<u>578</u>
 Total expenses	<u>11,207</u>
 Operating income (loss)	<u>(333)</u>
 Change in net position	(333)
 Net position, beginning	<u>(3,034)</u>
 Net position, ending	<u>\$ (3,367)</u>

See independent auditors' report

**INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS**

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

To the Honorable Matt Alexander  
And Members of the Board of Alderman  
Town of St. Joseph, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of St. Joseph, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of St. Joseph, Louisiana's basic financial statements and have issued our report thereon dated December 20, 2022.

**Internal Control over Financial Reporting**

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

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

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



## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Bruno & Tervalon LLP*  
Lake Charles, Louisiana  
December 20, 2022

**TOWN OF ST. JOSEPH, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**  
For the Year Ended June 30, 2022

**I. Summary of Auditors' Results**

a. Financial Statements

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Town of St. Joseph, Louisiana.
2. There are no control deficiencies disclosed during the audit of the financial statements and reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. There are no instances of noncompliance that is reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

b. Federal Awards

N/A

c. Management Letter

Management letter was issued in connection with the audit for the year ended June 30, 2022.

**TOWN OF ST. JOSEPH, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**

For the Year Ended June 30, 2022

**II. Financial statements Findings**

There were no current year findings.

**TOWN OF ST. JOSEPH, LOUISIANA**

**SUMMARY OF PRIOR YEAR FINDINGS**

For the Year Ended June 30, 2022

**III. Summary of Prior Year Findings**

There were no prior year findings.

**Independent Accountants Report on**  
**Agreed-Upon Procedures**

To the Honorable Matt Alexander  
And Members of the Board of Alderman  
Town of St. Joseph, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Town of St. Joseph and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Town's management is responsible for those C/C areas identified in the SAUPs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

- 1) Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
***We performed the above procedures and noted no exceptions.***
  - b. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.  
***We performed the above procedures and noted no exceptions.***
  - c. ***Disbursements***, including processing, reviewing, and approving.  
***We performed the above procedures and noted no exceptions.***

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

*We performed the above procedures and noted no exceptions.*

- e. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

f.

*We performed the above procedures and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

- l. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available systems and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*We performed the above procedure and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

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

---

- 2) Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*We performed the above procedure and noted no exceptions.*

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

*We performed the above procedure and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions:*

## ***Bank Reconciliations***

---

- 3) Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

***We performed the above procedures and noted the following exceptions:***

***The Town did not prepare the reconciliation within 2 months.***

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

***We performed the above procedures and noted no exceptions.***

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

***We performed the procedures above and noted no exceptions.***

## ***Collections***

---

- 4) Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5) For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are segregated at each collection location such that:
- a. Employees that are responsible for cash collections do not share cash drawers/registers.

***We performed the above procedures and noted no exceptions.***

- b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for



reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

***We performed the above procedures and noted no exceptions.***

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

***We performed the above procedures and noted no exceptions.***

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

***We performed the above procedures and noted no exceptions.***

- 6) Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- 7) Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

***We performed the above procedure and noted no exceptions.***

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

***We performed the above procedure and noted no exceptions.***

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

***We performed the above procedure and noted no exceptions.***

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

***We performed the above procedure and noted no exceptions.***

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

***We performed the above procedure and noted no exceptions.***

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

---

- 8) Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than
- 9) For each location selected under #8 above, obtain a listing of those employees involved with non- payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - j. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

***We performed the above procedure and noted no exceptions.***
  - k. At least two employees are involved in processing and approving payments to vendors.

***We performed the above procedure and noted no exceptions.***
  - l. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

***We performed the above procedure and noted no exceptions.***
  - m. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

***We performed the above procedure and noted no exceptions.***
- 10) For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - n. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

***We performed the above procedure and noted no exceptions.***
  - o. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

***We performed the above procedure and noted no exceptions.***

---

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

- 11) Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P- cards (card) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 12) Using the listing prepared by management randomly select 5 cards (or all cards if less than 5 that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - p. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases exception reports for excessive fuel card usage) was reviewed and approved, in writing by someone other than the authorized card holder. (Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.

***We performed the above procedure and noted the following exceptions:***

***The town did not have written documentation of the business purpose.***

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

***We performed the above procedure and noted no exceptions.***

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

***We performed the above procedure and noted no exceptions.***

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

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

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

- r. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.

***We performed the above procedures and noted no exceptions.***

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

***We performed the above procedures and noted no exceptions.***

- t. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the name of those individuals participating and other documentation required by written policy (procedure #1h).

***We performed the above procedures and noted no exceptions.***

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

***We performed the procedures above and noted the following exceptions:***

***The mayor's reimbursements were not approved in writing and will now be signed by an Alderman.***

### ***Contracts***

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

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

***We performed the procedures above and noted no exceptions.***

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

***We performed the above procedure and noted no exceptions.***

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

***We performed the above procedure and noted no exceptions.***

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

*We performed the above procedure and noted no exceptions.*

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

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- 16) Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17) Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - z. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*We performed the above procedure and noted no exceptions.*

- aa. Observe whether supervisors approved the attendance and leave of the selected employees/officials.

*We performed the above procedure and noted no exceptions.*

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

*We performed the above procedure and noted no exceptions.*

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

*No employees were terminated during the period.*

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

*We performed the above procedures and no exceptions.*

#### **Ethics**

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- 20) Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:

cc. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*We performed the above procedure and noted no exceptions.*

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

*We performed the above procedure and noted no exceptions.*

#### **Debt Service**

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

*We performed the above procedure and noted no exceptions.*

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

*We performed the above procedure and noted no exceptions.*

#### **Fraud Notice**

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

*Per discussion with management, no misappropriation of public funds and assets was noted during the fiscal period.*

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

*We performed the above procedure and noted no exceptions.*

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

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

ee. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

*We performed the procedures above and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the above procedure and noted no exceptions.*

### ***Sexual Harassment***

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- 26) Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

**Town personnel completed the training during the calendar year of 2022**

- 27) Observe the entity has posted its sexual harassment policy and complaint procedure on its

website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*We performed the above procedures and noted no exceptions.*

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

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

*3 Employees- 100%*

b. Number of sexual harassment complaints received by the agency;

*No complaints were received.*

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

*No complaints were received.*

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

*No complaints were received.*

e. Amount of time it took to resolve each complaint.

*No complaints were received.*

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

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

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

*Bruno & Tervalon, LLP*

Lake Charles, LA  
December 14, 2022



**TOWN OF ST. JOSEPH  
125 PLANK RD  
ST. JOSEPH LA 71366**

**Management's Response Letter to Statewide Agree-Upon Procedures**

**Written Policies and Procedures**

The written policy and procedures will be revised to include the following information.

**3A. Bank Reconciliation** –We will perform all bank reconciliations within 2 months.

**12P. Credit Cards-** We will add the business purpose on credit/debit card receipts.

**14U. Travel Reimbursements-**Travel reimbursements will be approved in writing.

Thank you,

Town of St. Joseph

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable Matt Alexander  
And Members of the Board of Alderman  
Town of St. Joseph, Louisiana

We have performed the procedures enumerated below, which were agreed to by Town of St. Joseph ("Town") and the Louisiana Legislative Auditor ("LLA") on the control and compliance (C/C) areas identified in the Fiscal Administrator's final report and three-year plan ("Plan") for the fiscal period July 01, 2021, through June 30, 2022. The Town's management is responsible for those C/C areas identified in the Plan.

The Town of St. Joseph, Louisiana has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the Fiscal Administrator's final report and three-year plan. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

**Financial Management Plan**

The Town will continue to retain qualified personnel to perform the financial and accounting activities of the Town. The duties of the qualified personnel include being responsible for accounts payable, accounts receivable, payroll, record-keeping, and collections. The Town will continue to retain qualified personnel to act as a contracted system operator responsible for preparing utility billing and making collections in the town's utility billing system.

**Results: No exceptions noted.**

The Town will continue to use an external accountant to assist with bank reconciliations, review of entries to the accounting system, financial statement preparation, and general financial assistance.

**Results: No exceptions noted.**

The Town will continue to prepare and amend budgets in accordance with the Local Government Budget Act and monitor financial activity each month to ensure that revenue and expenses are within budgeted levels.

**Results: No exceptions noted.**

The Town will continue to ensure that all transactions are authorized by the Mayor and in accordance with budgetary authorization, laws, and regulations.

**Results: No exceptions noted.**

The Town will present financial statements each month to the Board of Aldermen that show budget to actual comparisons. The Town will explain any variances that may show that actual revenue or expenses are not within the budgeted levels.

**Results: No exceptions noted**

The Town will use the written procedural guidelines (Money Processing Manual, Payroll Manual, Purchasing Manual, Utility Financial Management Manual, and Personnel Manual) that were prepared for the Town for all financial and operational activities.

**Results: No exceptions noted.**

The Town will continue to engage an audit firm in a timely manner to complete audits in accordance with state law.

**Results: No exceptions noted. Revenue Plan**

The Town will continue to monitor general fund revenue each month and make any necessary adjustments should revenue fall short of projections.

**Results: No exceptions noted.**

The Town will continue to monitor actual billings and collections for water, sewer, and gas services to ensure that revenue is generated as budgeted for operation, maintenance, and replacement reserves. If revenue is not meeting budgeted levels or if expenses are increasing beyond budgeted levels, the Town will use the guidance in Section 01 of the Utility Financial Management to calculate rates to generate the revenue needed. The town will adjust rates if necessary.

**Results: No exceptions noted.**

The Town will use the guidance in the Utility Financial Management Manual Section 01 to annually review utility expenses and calculate rates necessary for each service.

**Results: No exceptions noted.**

The Town will continue to work with the water and sewer system operators to determine operating needs for the water and sewer systems.

**Results: No exceptions noted.**

The gas rates of the Town must be reviewed and adjusted to generate funds for the gas line that is jointly owned by the Town and the Town of Newellton. This has been an on-going issue that has not yet been addressed by the Town. The mayor will continue negotiations with the Town of Newellton to reach an agreement on the funding and present a rate increase to the Saint Joseph Board of Aldermen.

**Results: No exceptions noted. Operational Plan**

The Town will continue to engage and use the services of a private contractor for the operation, maintenance, billing function and collection function for water and sewer services. The Town, along with a private contractor, needs to maintain policies and procedures to ensure accurate and timely billing and collection of funds due to the Town.

**Results: No exceptions noted.**

The Town will continue to have a properly certified gas system operator as either an employee or by contract.

**Results: No exceptions noted.**

The Town will continue to utilize other existing personnel to perform other efforts within the budgetary constraints of the town. Since most of these services are funded with general fund revenue, it is critical to evaluate the cost of the services in relation to the revenue available for these purposes.

**Results: No exceptions noted.**

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

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

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

***Bruno & Tervalon***  
Lake Charles, Louisiana  
December 20, 2022