



**FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**



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December 16, 2020

Independent Auditors' Report

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

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Ball, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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



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OPINIONS

In our opinion, the financials statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Ball as of and for the year ended June 30, 2020, and respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

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

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

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

Other Information

We were engaged for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ball’s basic financial statements. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020, on our consideration of the Town of Ball's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an engagement in accordance with *Government Auditing Standards* in considering the Town of Ball's internal control over financial reporting and compliance.



ROZIER, MCKAY & WILLIS
Certified Public Accountants



December 16, 2020

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

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

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Ball, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 16, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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



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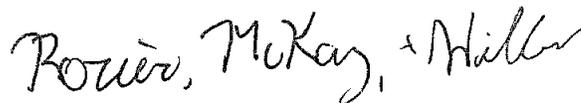
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COMPLIANCE AND OTHER MATTERS

In connection with our engagement to audit the Town of Ball's financial statements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance that were required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

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

A handwritten signature in cursive script that reads "Rozier, McKay & Willis".

ROZIER, MCKAY & WILLIS
Certified Public Accountants

Town of Ball

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

This section of the Town of Ball's annual financial report presents our discussion and analysis of the Town's financial performance during the year ended June 30, 2020.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government –Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Town of Ball

MANAGEMENT'S DISCUSSION AND ANALYSIS **June 30, 2020**

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

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

Net Position

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

	For the Year			For the
	Govern-	Business-	Total	
	mental	Type		June 30,
	Activities	Activities		2019
<u>Assets:</u>				
Current and Other Assets	\$ 1,033,084	\$ 524,746	\$ 1,557,830	\$ 1,756,229
Capital Assets	1,600,324	5,151,743	6,752,067	6,960,297
Total Assets	<u>2,633,408</u>	<u>5,676,489</u>	<u>8,309,897</u>	<u>8,716,526</u>
Deferred Outflow of Resources	<u>689,588</u>	<u>159,491</u>	<u>849,079</u>	<u>840,536</u>
<u>Liabilities:</u>				
Current and Other Liabilities	125,544	322,804	448,348	384,701
Long-term Liabilities	2,159,347	711,707	2,871,054	2,712,235
Total Liabilities	<u>2,284,891</u>	<u>1,034,511</u>	<u>3,319,402</u>	<u>3,096,936</u>
Deferred Inflows of Resources	<u>160,065</u>	<u>42,340</u>	<u>202,405</u>	<u>200,568</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	1,393,803	5,139,779	6,533,582	6,700,291
Restricted	583,232	----	583,232	837,545
Unrestricted	(1,098,995)	(380,650)	(1,479,645)	(1,278,278)
Total Net Position	<u>\$ 878,040</u>	<u>\$ 4,759,129</u>	<u>\$ 5,637,169</u>	<u>\$ 6,259,558</u>

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

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

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

Town of Ball

MANAGEMENT'S DISCUSSION AND ANALYSIS **June 30, 2020**

Changes in Net Position

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

	For the Year Ended June 30, 2020			For the Year Ended June 30, 2019
	Govern- mental Activities	Business- Type Activities	Total	
<u>Revenues:</u>				
Program Revenue:				
Charges for Services	\$ 762,209	\$ 888,180	\$ 1,650,389	\$ 1,505,433
Operating Grants and Contributions	33,669	----	33,669	35,574
Capital Grants and Contributions	20,302	79,478	99,780	----
General Revenue:				
Taxes	1,319,368	57,958	1,377,326	1,371,466
Licenses & Permits	103,915	----	103,915	113,081
Other	58,596	18,619	77,215	450,026
Total Revenue	<u>2,298,059</u>	<u>1,044,235</u>	<u>3,342,294</u>	<u>3,475,580</u>
<u>Program Expenses:</u>				
General Government	638,105	----	638,105	635,395
Public Safety				
Police Department	910,991	----	910,991	852,561
Fire Department	396,283	----	396,283	360,786
Public Works – Streets	660,598	----	660,598	660,855
Interest on Long-Term Debt	14,528	----	14,528	----
Sanitation	----	395,640	395,640	449,753
Sewer	----	948,538	948,538	986,585
Total Expenses	<u>2,620,505</u>	<u>1,344,178</u>	<u>3,964,683</u>	<u>3,945,935</u>
Increase/(Decrease) in Net Position Before Transfers	(322,446)	(299,943)	(622,389)	(470,355)
Transfers	3,000	(3,000)	----	----
Change in Net Position	<u>(319,446)</u>	<u>(302,943)</u>	<u>(622,389)</u>	<u>(470,355)</u>
Net Position Beginning	<u>1,197,486</u>	<u>5,062,072</u>	<u>6,259,558</u>	<u>6,729,913</u>
Net Position Ending	<u>\$ 878,040</u>	<u>\$ 4,759,129</u>	<u>\$ 5,637,169</u>	<u>\$ 6,259,558</u>

Governmental activities decreased the Town's net position by \$319,446. This decrease is mainly attributable to a decrease in Public Works reimbursements, as well as an increase in Public Safety expenditures.

Business-type activities decreased the Town's net position by \$302,943. The decrease is attributable to depreciation on assets purchased in previous years.

Town of Ball

MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2020

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

- The Town's governmental fund reported a fund balance of \$907,540, which represents a decrease of \$226,861.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

GENERAL FUND BUDGET HIGHLIGHTS

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

CAPITAL ASSET ADMINISTRATION

Significant capital asset activity for the year ended June 30, 2020 was limited to the purchase of a new fire truck and associated equipment, various equipment upgrades, the overlaying of the parking lot at Town Hall, and recording provisions for depreciation.

DEBT ADMINISTRATION

Debt activity included repaying part of the Town's municipal leases totaling \$53,484. The Town did not issue any new debt in the current year.

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

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

Town of Ball

STATEMENT OF NET POSITION

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 839,118	\$ 367,310	\$ 1,206,428
Receivables (net)	190,400	161,002	351,402
Internal balances	3,566	(3,566)	-
Capital assets			
Non depreciable capital assets	55,000	5,130	60,130
Depreciable capital assets, net	<u>1,545,324</u>	<u>5,146,613</u>	<u>6,691,937</u>
Total assets	<u>2,633,408</u>	<u>5,676,489</u>	<u>8,309,897</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension funding deferrals	<u>689,588</u>	<u>159,491</u>	<u>849,079</u>
<u>LIABILITIES</u>			
Accounts and other payables	125,544	168,987	294,531
Retainage Payable	-	7,948	7,948
Deposits due others	-	145,869	145,869
Long Term Liabilities			
Compensated Absences	18,054	16,222	34,276
Net Pension Liability	<u>1,934,772</u>	<u>672,072</u>	<u>2,606,844</u>
Long-Term Debt			
Due within one year	48,165	11,964	60,129
Due in more than one year	<u>158,356</u>	<u>11,449</u>	<u>169,805</u>
Total liabilities	<u>2,284,891</u>	<u>1,034,511</u>	<u>3,319,402</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension funding deferrals	<u>160,065</u>	<u>42,340</u>	<u>202,405</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	1,393,803	5,139,779	6,533,582
Restricted	583,232	-	583,232
Unrestricted	<u>(1,098,995)</u>	<u>(380,650)</u>	<u>(1,479,645)</u>
Total net position (deficit)	<u>\$ 878,040</u>	<u>\$ 4,759,129</u>	<u>\$ 5,637,169</u>

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

Town of Ball

STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

	Expenses	Program Revenues			Net Revenue (Expense)		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
<u>Governmental Activities:</u>							
General Government	\$ 638,105	\$ 2,854	\$ -	\$ 7,882	\$ (627,369)	\$ -	\$ (627,369)
Public Safety							
Police Department	910,991	556,384	27,669	-	(326,938)	-	(326,938)
Fire Department	396,283	20,506	6,000	-	(369,777)	-	(369,777)
Public Works (Highways and Streets)	660,598	182,465	-	12,420	(465,713)	-	(465,713)
Interest on Long-Term Debt	14,528	-	-	-	(14,528)	-	(14,528)
Total Governmental Activities	<u>2,620,505</u>	<u>762,209</u>	<u>33,669</u>	<u>20,302</u>	<u>(1,804,325)</u>	<u>-</u>	<u>(1,804,325)</u>
<u>Business-Type Activities:</u>							
Sanitation	395,640	377,762	-	-	-	(17,878)	(17,878)
Sewer	948,538	510,418	-	79,478	-	(358,642)	(358,642)
Total Business-Type Activities	<u>1,344,178</u>	<u>888,180</u>	<u>-</u>	<u>79,478</u>	<u>-</u>	<u>(376,520)</u>	<u>(376,520)</u>
Total	<u>\$ 3,964,683</u>	<u>\$ 1,650,389</u>	<u>\$ 33,669</u>	<u>\$ 99,780</u>	<u>(1,804,325)</u>	<u>(376,520)</u>	<u>(2,180,845)</u>
<u>General Revenues:</u>							
Taxes:							
Ad Valorem					92,799	-	92,799
Sales					1,072,222	57,958	1,130,180
Franchise					154,347	-	154,347
Licenses & Permits					103,915	-	103,915
Other					58,596	18,619	77,215
Transfers					3,000	(3,000)	-
Total General Revenues, Special Items and Transfers					<u>1,484,879</u>	<u>73,577</u>	<u>1,558,456</u>
Change in Net Position					<u>(319,446)</u>	<u>(302,943)</u>	<u>(622,389)</u>
Net Position - Beginning					<u>1,197,486</u>	<u>5,062,072</u>	<u>6,259,558</u>
Net Position - Ending					<u>\$ 878,040</u>	<u>\$ 4,759,129</u>	<u>\$ 5,637,169</u>

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

Town of Ball

Balance Sheet Governmental Funds - June 30, 2020

	<u>General Fund</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 839,118
Receivables (net)	190,400
Interfund Receivables	<u>3,566</u>
Total assets	<u>\$ 1,033,084</u>
 <u>Liabilities and Fund Balance</u>	
<u>Liabilities</u>	
Accounts Payable	<u>\$ 125,544</u>
Total liabilities	<u>125,544</u>
 <u>Fund Balance</u>	
Restricted For:	
Public Safety - Fire	229,699
Public Safety - Police	-
Public Works (Highways and Streets)	336,088
Unassigned	<u>341,753</u>
Total Fund Balances	<u>907,540</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,033,084</u>

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

Town of Ball

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

June 30, 2020

Total Fund Balances - Governmental Funds	\$ 907,540
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,600,324
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(2,141,293)
Deferred inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	(160,065)
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	689,588
Compensated absences are not due and payable in the current period and therefore they are not reported in the funds.	<u>(18,054)</u>
Net Position of Governmental Activities	<u>\$ 878,040</u>

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

Town of Ball

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - For the Year Ended June 30, 2020

	<u>General Fund</u>
<u>Revenues:</u>	
Taxes:	
Ad Valorem	\$ 92,799
Sales	1,072,222
Franchise	154,347
Licenses & Permits	103,915
Charges for Services	22,704
Intergovernmental	237,091
Fines and Forfeitures	548,926
Other	<u>66,055</u>
Total Revenues	<u>2,298,059</u>
<u>Expenditures:</u>	
Current:	
General Government	473,084
Public Safety	
Police Department	783,392
Fire Department	330,537
Public Works (Highways and Streets)	621,331
Capital Expenditures	263,002
Debt Service	<u>56,574</u>
Total Expenditures	<u>2,527,920</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(229,861)</u>
<u>Other Financing Sources (Uses):</u>	
Operating Transfers	3,000
Proceeds from Long-Term Debt	<u>-</u>
Total Other Financing Sources (Uses)	<u>3,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(226,861)</u>
<u>Fund Balance (Deficit) - Beginning of Year</u>	1,134,401
Fund Balance (Deficit) - End of Year	<u>\$ 907,540</u>

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

Town of Ball

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

For the Year Ended June 30, 2020

Net change in fund balances of Governmental Funds		\$	(226,861)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense.			
Capital Expenditures	263,002		
Depreciation	<u>(192,665)</u>		70,337
Governmental funds report pension expense based on contributions required for the current year; however, pension expense reported on the government wide basis is influenced by actuarial considerations.			(196,142)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, while the payment of long-term debt has no effect on net position.			42,046
Compensated Absences are recorded in the governmental funds when paid, but are recorded in the statement of activities when earned. This represents the amount compensated absences paid exceeded amounts earned in the current period			<u>(8,826)</u>
Change in net position of governmental activities		\$	<u>(319,446)</u>

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

Town of Ball

Statement of Net Position

Proprietary Funds - June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<u>ASSETS:</u>			
Current Assets:			
Cash and cash equivalents	\$ 9,160	\$ 358,150	\$ 367,310
Receivables (net)	35,249	125,753	161,002
Interfund receivables	<u>19,162</u>	<u>788</u>	<u>19,950</u>
Total current assets	63,571	484,691	548,262
Noncurrent Assets:			
Non depreciable capital assets	-	5,130	5,130
Depreciable capital assets, net	<u>4,094</u>	<u>5,142,519</u>	<u>5,146,613</u>
Total assets	<u>67,665</u>	<u>5,632,340</u>	<u>5,700,005</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Pension funding deferrals	<u>82,480</u>	<u>77,011</u>	<u>159,491</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts and other payables	20,171	148,815	168,986
Retainage Payable	-	7,948	7,948
Deposits due others	55,580	90,289	145,869
Interfund payables	<u>4,354</u>	<u>19,162</u>	<u>23,516</u>
Total current liabilities	80,105	266,214	346,319
Long Term Liabilities			
Current portion of long-term debt	-	11,964	11,964
Noncurrent Liabilities:			
Compensated Absences	6,984	9,238	16,222
Net Pension Liability	330,045	342,027	672,072
Long-Term Debt	<u>-</u>	<u>11,449</u>	<u>11,449</u>
Total liabilities	<u>417,134</u>	<u>640,892</u>	<u>1,058,026</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Pension funding deferrals	<u>21,896</u>	<u>20,444</u>	<u>42,340</u>
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	4,094	5,135,685	5,139,779
Unrestricted	<u>(292,979)</u>	<u>(87,670)</u>	<u>(380,649)</u>
Total net position (deficit)	<u>\$ (288,885)</u>	<u>\$ 5,048,015</u>	<u>\$ 4,759,130</u>

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

Town of Ball

Statement of Revenues, Expenditures and Changes in Fund Net Position Proprietary Funds - For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<u>Operating Revenues:</u>			
Service Fees	\$ 377,762	\$ 510,418	\$ 888,180
Other	-	-	-
Total Operating Revenues	<u>377,762</u>	<u>510,418</u>	<u>888,180</u>
<u>Operating Expenses:</u>			
Salaries and Benefits	194,709	269,529	464,238
Insurance	16,131	19,223	35,354
Repairs & Maintenance	13,089	90,480	103,569
Supplies & Chemicals	36,267	46,143	82,410
Utilities	979	99,135	100,114
Depreciation	1,500	364,212	365,712
Disposal Fees	113,490	-	113,490
Other	19,475	58,481	77,956
Total Operating Expenses	<u>395,640</u>	<u>947,203</u>	<u>1,342,843</u>
Operating Income (Loss)	(17,878)	(436,785)	(454,663)
<u>Nonoperating Revenues (Expenses):</u>			
Taxes	28,979	28,979	57,958
Other Revenue	14	18,606	18,620
Interest Expense	-	(1,335)	(1,335)
Change in Net Position Before Contributions and Transfers	11,115	(390,535)	(379,420)
<u>Contributions and Transfers:</u>			
Capital Contributions	-	79,478	79,478
Transfers	-	(3,000)	(3,000)
Change in net position	<u>11,115</u>	<u>(314,057)</u>	<u>(302,942)</u>
<u>Total net position - beginning</u>	<u>(300,000)</u>	<u>5,362,072</u>	<u>5,062,072</u>
Total net position - ending	<u>\$ (288,885)</u>	<u>\$ 5,048,015</u>	<u>\$ 4,759,130</u>

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

Town of Ball

Statement of Cash Flows

Proprietary Funds - For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<u>Cash flow from operating activities:</u>			
Cash received from customers	\$ 380,219	\$ 514,503	\$ 894,722
Cash payments to suppliers of goods and services	(229,514)	(243,595)	(473,109)
Cash payments to employees for services	(184,672)	(258,704)	(443,376)
Net cash provided (used) by operating activities	(33,967)	12,204	(21,763)
<u>Cash flows from non-capital financing activities:</u>			
Change in interfund balances	9,480	(40,226)	(30,746)
Operating transfers	-	(3,000)	(3,000)
Taxes	28,979	28,979	57,958
Other Non Operating Revenue	14	18,606	18,620
Net cash provided (used) by non-capital financing activities	38,473	4,359	42,832
<u>Cash flows from capital and related financing activities:</u>			
Capital expenditures	-	(9,990)	(9,990)
Capital grant proceeds	-	-	-
Principle paid on revenue bonds	-	(11,438)	(11,438)
Interest paid on debt instruments	-	(1,335)	(1,335)
Net cash provided (used) by capital and related financing activities	-	(22,763)	(22,763)
Net increase (decrease) in cash	4,506	(6,200)	(1,694)
Beginning cash balance	4,654	364,350	369,004
Ending cash balance	\$ 9,160	\$ 358,150	\$ 367,310

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

Town of Ball

Statement of Cash Flows (Continued)

Proprietary Funds - For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<u>Reconciliation of operating income (loss)</u>			
<u>to net cash provided (used) by operating activities</u>			
Operating income (loss)	\$ (17,878)	\$ (436,785)	\$ (454,663)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,500	364,212	365,712
(Increase) decrease in accounts receivable	(653)	336	(317)
Decrease (Increase) in net pension liability and deferrals	(28,351)	21,459	(6,892)
(Decrease) increase in accounts and other payables	(1,731)	48,408	46,677
(Decrease) increase in meter deposits	3,111	3,749	6,860
(Decrease) increase in compensated absences	4,789	5,056	9,845
(Decrease) increase other	5,246	5,769	11,015
Net cash provided (used) by operating activities	<u>\$ (33,967)</u>	<u>\$ 12,204</u>	<u>\$ (21,763)</u>

Supplemental disclosures of cash flow information:

During the period ended June 30, 2019, there were no operating, financing, or investing activities during the year that did not result in cash receipts or payments.

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

Town of Ball

Notes To Financial Statements

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

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

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

Basic Financial Statements

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

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

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

Town of Ball

Notes To Financial Statements

June 30, 2020

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Major Governmental Funds

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

Major Business-Type Funds

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

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

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

Basis of Accounting and Measurement Focus

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

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

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

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

Town of Ball

Notes To Financial Statements

June 30, 2020

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

Use of Estimates

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

Restricted Assets:

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

Budget Practices:

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

Capital Assets

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

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

Cash and Cash Equivalents:

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

Internal Activity:

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

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

Town of Ball

Notes To Financial Statements

June 30, 2020

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2020, cash and cash equivalents included the following amounts:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash Deposited in Banks	\$ 838,818	\$ 367,310	\$ 1,206,128
Cash on Hand	300	---	300
Cash and Cash Equivalents	<u>\$ 839,118</u>	<u>\$ 367,310</u>	<u>\$ 1,206,428</u>

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though the pledged securities are considered uncollateralized, state law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable for the year ended June 30, 2020 are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Accounts Receivable</u>			
Charges for Services	\$ ---	\$ 133,475	\$ 133,475
Franchise Taxes	27,887	---	27,887
Allowance for Doubtful Accounts	---	(56,973)	(56,973)
Total Accounts Receivable	<u>27,887</u>	<u>76,502</u>	<u>104,389</u>
<u>Due From Other Governmental Units</u>			
Sales Taxes	92,647	5,021	97,668
Other	69,866	79,479	149,345
Total Due From Other Governments	<u>162,513</u>	<u>84,500</u>	<u>247,013</u>
Total Receivables	<u>\$ 190,400</u>	<u>\$ 161,002</u>	<u>\$ 351,402</u>

Town of Ball

Notes To Financial Statements ***June 30, 2020***

NOTE 4 – CAPITAL ASSETS

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

Non-Depreciable Capital Assets				
	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Land	\$ 50,000	\$ 5,000	\$ ----	\$ 55,000
Construction in Process	----	----	----	----
Total Governmental Activities	<u>50,000</u>	<u>\$ 5,000</u>	<u>\$ ----</u>	<u>55,000</u>
<u>Business-Type Activities</u>				
Sewer System				
Land	\$ 5,130	\$ ----	\$ ----	\$ 5,130
Construction in Process	----	----	----	----
Total Business-Type Activities	<u>\$ 5,130</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 5,130</u>
Depreciable Capital Assets				
	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Furniture, Fixtures and Equipment	\$ 2,099,342	\$ 234,900	\$ (112,332)	\$ 2,221,910
Buildings and Improvements	1,454,513	23,102	----	1,477,615
Street Infrastructure	412,565	----	----	412,565
Accumulated Depreciation	(2,484,109)	(192,664)	110,007	(2,566,766)
Total Governmental Activities	<u>\$ 1,482,311</u>	<u>\$ 65,338</u>	<u>\$ (2,325)</u>	<u>\$ 1,545,324</u>
<u>Business-Type Activities</u>				
Sewer System				
Furniture, Fixtures and Equipment	\$ 349,600	\$ ----	\$ (39,272)	\$ 310,328
Sewer System	13,924,690	89,468	----	14,014,158
Accumulated Depreciation	(8,857,027)	(364,212)	39,272	(9,181,966)
Total Sewer System	<u>5,417,263</u>	<u>(274,744)</u>	<u>----</u>	<u>5,142,519</u>
Sanitation Department				
Furniture, Fixtures and Equipment	362,315	----	(6,000)	356,315
Buildings and Improvements	13,092	----	----	13,092
Accumulated Depreciation	(369,813)	(1,500)	6,000	(365,313)
Total Sanitation Department	<u>5,593</u>	<u>(1,500)</u>	<u>----</u>	<u>4,094</u>
Total Business-Type	<u>\$ 5,422,856</u>	<u>\$ (276,244)</u>	<u>\$ ----</u>	<u>\$ 5,146,613</u>

Town of Ball

Notes To Financial Statements

June 30, 2020

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Government	\$ 41,812	\$ ----	\$ 41,812
Police Department	74,060	----	74,060
Fire Department	47,098	----	47,098
Streets	29,029	----	29,029
Mayor's Court	665	----	665
Sewer System	----	364,212	364,212
Sanitation	----	1,500	1,500
Total Depreciation Expense	<u>\$ 192,664</u>	<u>\$ 365,712</u>	<u>\$ 558,376</u>

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Payable to Vendors	\$ 52,770	\$ 157,970	\$ 210,740
Accrued Payroll/Payroll Taxes	35,989	11,017	47,006
Payroll Liabilities	<u>36,785</u>	<u>----</u>	<u>36,785</u>
Accounts and Other Payables	<u>\$ 125,544</u>	<u>\$ 168,987</u>	<u>\$ 294,531</u>

NOTE 6 – TAXES

Ad Valorem Taxes:

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

Sales Taxes:

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

Town of Ball

Notes To Financial Statements

June 30, 2020

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

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

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

NOTE 7- RISK MANAGEMENT

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

NOTE 8- RESTRICTED RESOURCES

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

NOTE 9- PENSION PLANS:

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

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 1,526,202	\$ 381,081	\$ 101,167
Firefighters' Retirement System of Louisiana	130,354	80,172	14,143
Municipal Police Employees' Retirement System of Louisiana	950,288	387,826	87,095
	<hr/>	<hr/>	<hr/>
Total	2,606,844	849,079	202,405
Portion Applicable to Business Type Activities	672,072	159,491	42,340
	<hr/>	<hr/>	<hr/>
Portion Applicable to Government Type Activities	\$ 1,934,772	\$ 689,588	\$ 160,065

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

Town of Ball

Notes To Financial Statements

June 30, 2020

Municipal Employees' Retirement System of Louisiana:

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

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

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

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

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

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

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at mersla.com. The plans net pension liability was determined at June 30, 2019 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 1,182,925,835
Plan Fiduciary Net Position	765,059,686
Net Pension Liability	417,866,149
Town's Proportionate Share (Percentage)	0.365237%
Town's Proportionate Share (Amount)	<u>\$ 1,526,202</u>

Town of Ball

Notes To Financial Statements

June 30, 2020

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

Beginning Net Pension Liability		\$ 1,624,852
Employer Contributions		(178,769)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	316,694	
Changes in Benefit Terms	----	
Employee Contributions	<u>(23,438)</u>	293,256
Change in Deferred Outflows of Resources		(169,741)
Change in Deferred Inflows of Resources		<u>(43,396)</u>
Ending Net Pension Liability		<u>\$ 1,526,202</u>

There were no changes between June 30, 2020 and the Plan's measurement date (June 30, 2019) that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Resources
Differences Between Expected and Actual Experience	\$ ----	\$ 37,238	\$ (37,238)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	151,366	----	151,366
Changes of Assumptions	38,569	----	38,569
Changes in Proportion	14,158	63,929	(49,771)
Employer Contributions Made After the Measurement Date	<u>176,988</u>	<u>----</u>	<u>176,988</u>
Total Deferrals	381,081	101,167	279,914
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>176,988</u>	<u>----</u>	<u>176,988</u>
Deferrals Subject to Amortization	<u>\$ 204,093</u>	<u>\$ 101,167</u>	<u>\$ 102,926</u>

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

<u>For the Measurement Period Ending</u>	
June 30, 2020	\$ 67,561
June 30, 2021	3,328
June 30, 2022	19,330
June 30, 2023	<u>12,707</u>
Total	<u>\$ 102,926</u>

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

Town of Ball

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Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions: Investment Rate of Return	7.0%, net of investment expense
Projected Salary Increases	6.4% Plan A (1-4 Years of service) 4.5% Plan A (4+ Years of service)
Mortality Rates	Annuitant and Beneficiary - PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. Employee Mortality - PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales Disabled Lives – PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP 2018 scale

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.7% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 7.0% for the year ended June 30, 2019.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Equity	50%	2.15%
Public Fixed Income	35%	1.51%
Alternatives	15%	0.64%
Totals	100%	4.30%
Inflation		2.70%
Expected Arithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Town of Ball

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

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

	1% Decrease 6.0% Discount Rate	Current Discount Rate 7.0%	1% Increase 8.0 % Discount
Net Pension Liability	\$ 1,989,894	\$ 1,526,202	\$ 1,134,164

Firefighters' Retirement System of Louisiana

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

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

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lafirefightersret.com. The plans net pension liability was determined at June 30, 2019 (measurement date and actuarial valuation date) and details are provided as follows:

Town of Ball

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Total Pension Liability	\$ 2,405,122,324
Plan Fiduciary Net Position	<u>1,778,931,314</u>
Net Pension Liability	626,191,010
Town's Proportionate Share (Percentage)	<u>0.0208170%</u>
Town's Proportionate Share (Amount)	<u>\$ 130,354</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2019 are provided as follows:

Beginning Net Pension Liability	\$ 118,493
Employer Contributions	(13,367)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	40,145
Changes in Benefit Terms	----
Employee Contributions	<u>(5,581)</u>
Change in Deferred Outflows of Resources	(9,908)
Change in Deferred Inflows of Resources	<u>572</u>
 Ending Net Pension Liability	 <u>\$ 130,354</u>

There were no changes between June 30, 2020 and the Plan's measurement date (June 30, 2019) that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Resources
Differences Between Expected and Actual Experience	\$ ----	\$ 9,403	\$ (9,403)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	8,766	----	8,766
Changes of Assumptions	11,859	9	11,850
Changes in Proportion	43,666	4,731	38,935
Employer Contributions Made After the Measurement Date	<u>15,881</u>	----	<u>15,881</u>
 Total Deferrals	 80,172	 14,143	 66,029
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>15,881</u>	----	<u>15,881</u>
 Deferrals Subject to Amortization	 <u>\$ 64,291</u>	 <u>\$ 14,143</u>	 <u>\$ 50,148</u>

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

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<u>For the Measurement Period Ending</u>	
June 30, 2020	\$ 19,583
June 30, 2021	14,174
June 30, 2022	13,913
June 30, 2023	2,151
June 30, 2024	(284)
June 30, 2025	611
Total	<u>\$ 50,148</u>

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	7 Years
Investment Rate of Return	7.15% per annum
Inflation Rate	2.50% per annum
Projected Salary Increases	Vary from 14.75% in the first two years of service to 4.50% after 25 years, including inflation and merit increases.
Cost of Living Adjustments	Only those previously granted

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected nominal rate of return was 7.94% as of June 30, 2019.

Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U. S. Equity	21.50%	5.98%
Non-U.S. Equity	17.50%	7.52%
Global Equity	10.00%	6.59%
Fixed Income	31.00%	2.17%
Real Estate	6.00%	4.14%
Private Equity	4.00%	10.52%
Global Tactical Asset Allocation	5.00%	4.37%
Risk Parity	5.00%	4.67%
Totals	<u>100.00%</u>	

Town of Ball

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The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease 6.15% Discount Rate	Current Discount Rate 7.15%	1% Increase 8.15 % Discount
Net Pension Liability	\$ 188,762	\$ 130,354	\$ 81,331

Municipal Police Employees' Retirement System of Louisiana

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

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

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

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

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

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

- At any age and has 30 years of creditable service
- At age 55 and has 25 years of creditable service.
- At age 60 and has 10 years of creditable service.

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

Funding Policy - Plan members are required by state statute to contribute a percent of their annual covered salary to the System. The percentage required for the measurement period ending June 30, 2019 is listed below:

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

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

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lampers.org. The plans net pension liability was determined at June 30, 2019 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 3,132,449,454
Plan Fiduciary Net Position	2,224,281,981
Net Pension Liability	<u>908,167,473</u>
Town's Proportionate Share (Percentage)	0.104638%
Town's Proportionate Share (Amount)	<u>\$ 950,288</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2019 are provided as follows:

Town of Ball

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Beginning Net Pension Liability		\$ 669,866
Employer Contributions		(105,496)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	205,167	
Changes in Benefit Terms	----	
Employee Contributions	(21,544)	183,623
Change in Deferred Outflows of Resources		161,309
Change in Deferred Inflows of Resources		40,986
Ending Net Pension Liability		<u>\$ 950,288</u>

There were no changes between June 30, 2020 and the Plan's measurement date (June 30, 2019) that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Resources
Differences Between Expected and Actual Experience	\$ 1,994	\$ 29,236	\$ (27,242)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	61,739	----	61,739
Changes of Assumptions	53,252	----	53,252
Changes in Proportion	150,321	57,860	92,461
Employer Contributions Made After the Measurement Date	120,519	----	120,519
Total Deferrals	387,825	87,096	300,729
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	120,519	----	120,519
Deferrals Subject to Amortization	<u>\$ 267,306</u>	<u>\$ 87,096</u>	<u>\$ 180,210</u>

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

<u>For the Measurement Period Ending</u>	
June 30, 2020	65,719
June 30, 2021	25,790
June 30, 2022	73,284
June 30, 2023	15,417
Total	<u>180,210</u>

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost

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Investment Rate of Return	7.125 % per annum	
Expected Remaining Service Lives	4 Years	
Inflation Rate	2.5% per annum	
Projected Salary Increases Including Inflation and Merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1 - 2	9.75%
	3 - 23	4.75%
	23 & Over	4.25%
Mortality Rates	RP-2000 Combined Health with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (setback 1 year for females) for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table setback 5 years for males and setback 3 years for females for disabled annuitants. RP-2000 Employee Table setback 4 years for males and 3 years for females for active members.	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases.	

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Equity	48.50%	3.28%
Fixed Income	33.50%	0.80%
Alternatives	18.00%	1.06%
Other	0.00%	0.00%
Totals	<u>100.00%</u>	<u>5.14%</u>
Inflation		<u>2.75%</u>
Expected Arithmetic Nominal Return		<u>7.89%</u>

The discount rate used to measure the total pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values

Town of Ball

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calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables

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

	1% Decrease 6.125% Discount Rate	Current Discount Rate 7.125%	1% Increase 8.125 % Discount
Net Pension Liability	\$ 1,324,065	\$ 950,288	\$ 636,727

NOTE 10 – INTERNAL BALANCES

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

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental Funds</u>		
General Fund	\$ 4,354	\$ (788)
<u>Business Type Funds</u>		
Sewer System	788	(19,162)
Sanitation System	19,162	(4,354)
Total	24,304	(24,304)
Elimination of Interfund Activity	(20,738)	20,738
Government Wide Totals	<u>\$ 3,566</u>	<u>\$ (3,566)</u>

NOTE 11 - TRANSFERS

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

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds</u>		
General Fund	\$ 3,000	\$ ----
<u>Business Type Funds</u>		
Sewer Fund	----	----
Sanitation Fund	----	(3,000)
Total	\$ 3,000	(3,000)
Elimination of Internal Activity	----	----
Government Wide Totals	<u>\$ 3,000</u>	<u>\$ (3,000)</u>

Town of Ball

Notes To Financial Statements

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NOTE 12 – CONTINGENCIES:

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at June 30, 2020 are described as follows:

Litigation

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

Grant Compliance

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

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

Criminal Proceedings

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

NOTE 13 – ON BEHALF PAYMENTS

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

Police Department	\$ 27,669
Fire Department	<u>6,000</u>
Total	<u>\$ 33,669</u>

NOTE 14 - LONG-TERM LIABILITIES

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

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Notes To Financial Statements

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Debt Instruments

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Lease	\$ 248,567	\$ ----	\$ 42,046	\$ 206,521
<u>Business-Type Activities</u>				
Capital Lease	34,851	----	11,438	23,413
Total Long-term Debts	<u>\$ 283,418</u>	<u>\$ ----</u>	<u>\$ 53,484</u>	<u>\$ 229,934</u>

Capital Lease

The Town has acquired a several police vehicles by entering into a capital lease purchase agreement. The purchase obligation outstanding at June 30, 2020 is described as follows:

Capital lease purchase agreement dated January 30, 2019 executed in exchange for 9 police vehicles, with an original balance of \$248,567, bearing interest of 5.21 %, payable in 60 (Beginning July of 2019) monthly installments of \$4,714. \$ 206,521

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

2020-2021	\$ 48,165
2021-2022	50,405
2022-2023	52,749
2023-2024	55,202
Amounts representing interest	19,774
Present value of future minimum lease payments	<u>\$ 226,295</u>

The Town has acquired utility vehicles by entering into a capital lease purchase agreement. The purchase obligation outstanding at June 30, 2020 is described as follows:

Capital lease purchase agreement dated May 25, 2018 executed in exchange for utility vehicles, with an original balance of \$46,677, bearing interest of 4.50%, payable in 48 monthly installments of \$1,064. \$ 23,413

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

2020-2021	\$ 11,964
2021-2022	11,449
Amounts representing interest	1,068
Present value of future minimum lease payments	<u>\$ 24,481</u>

Town of Ball

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues	<u>2,246,780</u>	<u>2,321,925</u>	<u>2,298,059</u>	<u>(23,866)</u>
<u>Expenditures:</u>				
Current:				
General Government	590,461	524,981	473,084	51,897
Public Safety				
Police Department	710,350	802,700	783,392	19,308
Fire Department	295,850	356,083	330,537	25,546
Public Works (Highways and Streets)	640,700	629,650	621,331	8,319
Capital Expenditures	250,000	208,765	263,002	(54,237)
Debt Service	60,000	46,000	56,574	(10,574)
Total Expenditures	<u>2,547,361</u>	<u>2,568,179</u>	<u>2,527,920</u>	<u>40,259</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(300,581)</u>	<u>(246,254)</u>	<u>(229,861)</u>	<u>16,393</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from Long-Term Debt	-	-	-	-
Operating Transfers In (Out)	-	-	3,000	3,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(300,581)</u>	<u>(246,254)</u>	<u>(226,861)</u>	<u>19,393</u>
Fund Balance (Deficit) - Beginning of Year	<u>730,539</u>	<u>1,134,401</u>	<u>1,134,401</u>	<u>-</u>
Fund Balance (Deficit) - End of Year	<u>\$ 429,958</u>	<u>\$ 888,147</u>	<u>\$ 907,540</u>	<u>\$ 19,393</u>

Town of Ball

Schedule of Net Pension Liability Data Cost Sharing Retirement Systems

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

Notes to Schedule:

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

Town of Ball

Schedule of Employer Contributions Cost Sharing Retirement Systems

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

Notes to Schedule:

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

Town of Ball

Schedule of Compensation Paid to Board Members For the year ended June 30, 2020

Gail Wilking	\$ 32,323
Willie Bishop	24,317
Suzanne Duncan-Furby	7,700
Kimberley Krischke	7,700
Genevive Poteet	4,400
Gail Wilking (As Alderwoman)	3,300
Charlotte Smith	7,700
Marc Mercer	7,700
	<hr/>
Total	<u>\$ 95,140</u>

Town of Ball

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the year ended June 30, 2020

	Agency Head (Mayor)	
	G. Wilking	W. Bishop
Purpose:		
Compensation	\$ 32,323	\$ 24,317
Retirement Contributions	\$ -	\$ 2,156
Insurance	\$ -	\$ 2,423
Payroll Taxes	\$ 1,094	\$ 3,681
Reimbursements	\$ -	\$ -

TOWN OF BALL

Summary of Findings and Responses

June 30, 2020

PART I

SUMMARY OF AUDITOR'S RESULTS

- The Independent Auditor's Report on the financial statements for the Town of Ball as of June 30, 2020 and for the year then ended expressed an unmodified opinion.
- No significant internal control deficiencies that were considered to be a material weakness were reported.
- No instances of noncompliance material to the financial statements were reported.

PART II

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

NOT APPLICABLE

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

PART III

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

NOT APPLICABLE

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

TOWN OF BALL

Management's Corrective Action Plan

June 30, 2020

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

TOWN OF BALL

Summary of Prior Year Findings

June 30, 2020

SECTION I	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>2019-1: IMPROPER PAYMENT OF TERMINATION BENEFITS</u></p> <p>After the Mayor's seat was declared vacant, the former Mayor requested and received payment for unused vacation time. However, as an elected official, the Mayor was not eligible to receive any such payments, according to the Town's personnel policies.</p>	<p><u>2019-1: RESOLVED</u></p>
<p><u>2019-2: LATE PAYMENT AND FILING OF RETIREMENT CONTRIBUTIONS AND PAYROLL TAXES</u></p> <p>There were several instances in the current year in which the Town did not file required monthly reports to the cost-sharing retirement plans the Town participates in by the due date, and several instances in which the Town did not make required retirement contributions to the cost-sharing plans by the specified due date. In addition, the Town did not pay all required payroll taxes by their due date.</p>	<p><u>2019-2: RESOLVED</u></p>
<p><u>2019-3: POLICE PAYROLL</u></p> <p>The Town passed an ordinance providing for "Crime Patrol" payment to police officers. The ordinance specified that payment for Crime Patrol could be earned monthly by police officers, up to a ten-hour limit per month. However, in the current year, it was discovered that that Town had been paying "Crime Patrol" to its officers each pay period, in some cases more than twenty hours per month. These payments were made contrary to the Town's ordinance, and resulted in an overpayment of "Crime Patrol" pay to officers on multiple occasions.</p>	<p><u>2019-3: RESOLVED</u></p>

TOWN OF BALL

Summary of Prior Year Findings

June 30, 2020

<u>SECTION I</u>	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>2019-4: SUPPLEMENTAL PAY</u> Louisiana Revised Statutes provide for Supplemental Pay for police officers and firefighters who have met certain criteria. The Town is responsible for holding out payroll taxes and retirement contributions for these payments, and each employee that qualifies for Supplemental Pay receives payment directly from the state. The Town did not calculate this amount correctly for some officers for a limited time during the year. This resulted in several officers receiving an overpayment. As Louisiana Law prohibits a Town from giving away anything of value, the Town may be in violation of state law.	<u>2019-4: RESOLVED</u>
<u>SECTION II</u>	
MANAGEMENT LETTER	
<u>FINDINGS</u> <u>No Findings of this nature were reported.</u>	<u>RESPONSE</u> <u>No response necessary</u>