



**FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**



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November 13, 2019

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, 2019, 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, 2019, 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 November 13, 2019, 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.

Rozer, McKay, + Willis
ROZIER, McKAY & WILLIS
Certified Public Accountants



November 13, 2019

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, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 13, 2019.

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 identify a deficiency in internal control, described in the accompanying schedule of findings and responses as 2019-1 that we consider to be material weaknesses.



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COMPLIANCE AND OTHER MATTERS

In connection with our engagement to audit the Town of Ball's financial statements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement, and accordingly, we do not express such an opinion. The results of our tests disclosed three instances of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as items 2019-2, 2019-3, and 2019-4.

TOWN OF BALL'S RESPONSE TO FINDINGS

The Town of Ball's response to the findings identified in our engagement is described in the accompanying schedule. The Town of Ball's response was not subjected to the procedures applied in the engagement to audit the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

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



ROZIER, MCKAY & WILLIS
Certified Public Accountants

Town of Ball

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

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, 2019.

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, 2019

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 Ended June 30, 2019			For the Year Ended June 30, 2018
	Govern- mental Activities	Business- Type Activities	Total	
<u>Assets:</u>				
Current and Other Assets	\$ 1,340,332	\$ 415,897	\$ 1,756,229	\$ 1,716,578
Capital Assets	1,532,311	5,427,986	6,960,297	7,084,607
Total Assets	2,872,643	5,843,883	8,716,526	8,801,185
Deferred Outflow of Resources	671,189	169,347	840,536	971,434
<u>Liabilities:</u>				
Current and Other Liabilities	205,931	178,770	384,701	299,978
Long-term Liabilities	1,957,647	754,588	2,712,235	2,567,853
Total Liabilities	2,163,578	933,358	3,096,936	2,867,831
Deferred Inflows of Resources	182,768	17,800	200,568	174,875
<u>Net Position:</u>				
Invested in Capital Assets (Net)	1,283,744	5,416,547	6,700,291	7,037,930
Restricted	837,545	----	837,545	728,955
Unrestricted	(923,803)	(354,475)	(1,278,278)	(1,036,972)
Total Net Position	\$ 1,197,486	\$ 5,062,072	\$ 6,259,558	\$ 6,729,913

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, 2019**

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, 2019			For the
	Govern- mental Activities	Business- Type Activities	Total	Year Ended June 30, 2018
<u>Revenues:</u>				
Program Revenue:				
Charges for Services	\$ 607,770	\$ 897,663	\$ 1,505,433	\$ 1,369,473
Operating Grants and Contributions	35,574	----	35,574	28,783
Capital Grants and Contributions	----	----	----	----
General Revenue:				
Taxes	1,315,902	55,564	1,371,466	1,328,606
Licenses & Permits	113,081	----	113,081	78,517
Other	448,682	1,344	450,026	152,173
Total Revenue	<u>2,521,009</u>	<u>954,571</u>	<u>3,475,580</u>	<u>2,957,552</u>
<u>Program Expenses:</u>				
General Government	635,395	----	635,395	549,620
Public Safety				
Police Department	852,561	----	852,561	754,784
Fire Department	360,786	----	360,786	413,573
Public Works -- Streets	660,855	----	660,855	647,802
Interest on Long-Term Debt	----	----	----	----
Sanitation	----	449,753	449,753	477,331
Sewer	----	986,585	986,585	968,822
Total Expenses	<u>2,509,597</u>	<u>1,436,338</u>	<u>3,945,935</u>	<u>3,811,932</u>
Increase/(Decrease) in Net Position Before Transfers	11,412	(481,767)	(470,355)	(854,380)
Transfers	45,000	(45,000)	----	----
Change in Net Position	<u>56,412</u>	<u>(526,767)</u>	<u>(470,355)</u>	<u>(854,380)</u>
<u>Net Position Beginning:</u>				
As Previously Reported	1,141,074	5,588,839	6,729,913	7,421,242
Prior Period Adjustment	----	----	----	163,051
As Restated	<u>1,141,074</u>	<u>5,588,839</u>	<u>6,729,913</u>	<u>7,584,293</u>
Net Position Ending	<u>\$ 1,197,486</u>	<u>\$ 5,062,072</u>	<u>\$ 6,259,558</u>	<u>\$ 6,729,913</u>

Town of Ball

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

Governmental activities increased the Town's net position by \$56,412. This increase is attributable to a decrease in Public Works and Fire Department Expenditures.

Business-type activities decreased the Town's net position by \$526,767. The decrease is attributable to depreciation on assets purchased in previous years.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

- The Town's governmental fund reported a fund balance of \$1,134,401, which represents an increase of \$87,795.
- 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 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, 2019 was limited to renovations at Town Hall, the purchase of several new police vehicles, replacing and upgrading portions of the Town's other equipment, and recording provisions for depreciation.

DEBT ADMINISTRATION

Debt activity included repaying a portion of a municipal lease totaling \$11,825, and the assumption of a new municipal lease for the police vehicles purchased by the Town, totaling \$248,567.

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, 2019

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,091,042	\$ 369,004	\$ 1,460,046
Receivables (net)	214,977	81,206	296,183
Internal balances	34,313	(34,313)	-
Capital assets			
Non depreciable capital assets	50,000	5,130	55,130
Depreciable capital assets, net	1,482,311	5,422,856	6,905,167
Total assets	2,872,643	5,843,883	8,716,526
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension funding deferrals	671,189	169,347	840,536
<u>LIABILITIES</u>			
Accounts and other payables	205,931	39,761	245,692
Deposits due others	-	139,009	139,009
Long Term Liabilities			
Compensated Absences	9,228	6,376	15,604
Net Pension Liability	1,699,852	713,360	2,413,212
Long-Term Debt			
Due within one year	42,046	11,439	53,485
Due in more than one year	206,521	23,413	229,934
Total liabilities	2,163,578	933,358	3,096,936
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension funding deferrals	182,768	17,800	200,568
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	1,283,744	5,416,547	6,700,291
Restricted	837,545	-	837,545
Unrestricted	(923,803)	(354,475)	(1,278,278)
Total net position (deficit)	\$ 1,197,486	\$ 5,062,072	\$ 6,259,558

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

Town of Ball

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

	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	\$ 635,395	\$ 125,491	\$ -	\$ -	\$ (509,904)	\$ -	\$ (509,904)
Public Safety							
Police Department	852,561	468,588	29,799	-	(354,174)	-	(354,174)
Fire Department	360,786	41	5,775	-	(354,970)	-	(354,970)
Public Works (Highways and Streets)	660,855	13,650	-	-	(647,205)	-	(647,205)
Interest on Long-Term Debt	-	-	-	-	-	-	-
Total Governmental Activities	<u>2,509,597</u>	<u>607,770</u>	<u>35,574</u>	<u>-</u>	<u>(1,866,253)</u>	<u>-</u>	<u>(1,866,253)</u>
<u>Business-Type Activities:</u>							
Sanitation	449,753	367,173	-	-	-	(82,580)	(82,580)
Sewer	986,585	530,490	-	-	-	(456,095)	(456,095)
Total Business-Type Activities	<u>1,436,338</u>	<u>897,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(538,675)</u>	<u>(538,675)</u>
Total	<u>\$ 3,945,935</u>	<u>\$ 1,505,433</u>	<u>\$ 35,574</u>	<u>\$ -</u>	<u>(1,866,253)</u>	<u>(538,675)</u>	<u>(2,404,928)</u>
General Revenues:							
Taxes:							
Ad Valorem					91,435	-	91,435
Sales					1,050,036	55,564	1,105,600
Franchise					174,431	-	174,431
Licenses & Permits					113,081	-	113,081
Other					448,682	1,344	450,026
Transfers					45,000	(45,000)	-
Total General Revenues, Special Items and Transfers					<u>1,922,665</u>	<u>11,908</u>	<u>1,934,573</u>
Change in Net Position					<u>56,412</u>	<u>(526,767)</u>	<u>(470,355)</u>
Net Position - Beginning							
As Originally Reported					991,188	5,542,444	6,533,632
Prior Period Adjustment					<u>149,886</u>	<u>46,395</u>	<u>196,281</u>
As Restated					<u>1,141,074</u>	<u>5,588,839</u>	<u>6,729,913</u>
Net Position - Ending					<u>\$ 1,197,486</u>	<u>\$ 5,062,072</u>	<u>\$ 6,259,558</u>

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

Town of Ball

Balance Sheet

Governmental Funds - June 30, 2019

	<u>General Fund</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 1,091,042
Receivables (net)	214,977
Interfund Receivables	<u>34,313</u>
Total assets	<u>\$ 1,340,332</u>
 <u>Liabilities and Fund Balance</u>	
<u>Liabilities</u>	
Accounts Payable	<u>\$ 205,931</u>
Total liabilities	<u>205,931</u>
 <u>Fund Balance</u>	
Restricted For:	
Public Safety - Fire	520,996
Public Safety - Police	4,165
Public Works (Highways and Streets)	312,384
Unassigned	<u>296,856</u>
Total Fund Balances	<u>1,134,401</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,340,332</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, 2019

Total Fund Balances - Governmental Funds	\$ 1,134,401
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.	1,532,311
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(1,948,419)
Deferred inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	(182,768)
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	671,189
Compensated absences are not due and payable in the current period and therefore they are not reported in the funds.	<u>(9,228)</u>
Net Position of Governmental Activities	<u>\$ 1,197,486</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, 2019

	<u>General Fund</u>
<u>Revenues:</u>	
Taxes:	
Ad Valorem	\$ 91,435
Sales	1,050,036
Franchise	174,431
Licenses & Permits	113,081
Charges for Services	139,182
Intergovernmental	383,684
Fines and Forfeitures	468,588
Other	<u>100,572</u>
Total Revenues	<u>2,521,009</u>
<u>Expenditures:</u>	
Current:	
General Government	583,073
Public Safety	
Police Department	834,796
Fire Department	303,613
Public Works (Highways and Streets)	607,661
Capital Expenditures	397,638
Debt Service	<u>-</u>
Total Expenditures	<u>2,726,781</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(205,772)</u>
<u>Other Financing Sources (Uses):</u>	
Operating Transfers	45,000
Proceeds from Long-Term Debt	<u>248,567</u>
Total Other Financing Sources (Uses)	<u>293,567</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>87,795</u>
<u>Fund Balance (Deficit) - Beginning of Year</u>	
As Originally Reported	952,422
Prior Period Adjustment	<u>94,184</u>
As Restated	<u>1,046,606</u>
Fund Balance (Deficit) - End of Year	<u>\$ 1,134,401</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, 2019

Net change in fund balances of Governmental Funds \$ 87,795

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	397,638	
Depreciation	<u>(148,421)</u>	249,217

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. (38,989)

When capital leases are executed, governmental funds report the face value as
an other funding source but the lease obligation is reported as a liability in the
statement of net position. (248,567)

Compensated Absences are recorded in the governmental funds when paid, but are
recorded in the statement of activities when earned. This represents the amount
compensated absences paid exceeded amounts earned in the current period 6,956

Change in net position of governmental activities \$ 56,412

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

Town of Ball

Statement of Net Position

Proprietary Funds - June 30, 2019

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<u>ASSETS:</u>			
Current Assets:			
Cash and cash equivalents	\$ 4,654	\$ 364,350	\$ 369,004
Receivables (net)	34,596	46,610	81,206
Interfund receivables	43,250	-	43,250
Total current assets	82,500	410,960	493,460
Noncurrent Assets:			
Non depreciable capital assets	-	5,130	5,130
Depreciable capital assets, net	5,593	5,417,263	5,422,856
Total assets	88,093	5,833,353	5,921,446
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Pension funding deferrals	59,879	109,468	169,347
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts and other payables	16,654	23,107	39,761
Deposits due others	52,469	86,540	139,009
Interfund payables	18,963	58,600	77,563
Total current liabilities	88,086	168,247	256,333
Long Term Liabilities			
Current portion of long-term debt	-	11,439	11,439
Noncurrent Liabilities:			
Compensated Absences	2,195	4,181	6,376
Net Pension Liability	351,397	361,963	713,360
Long-Term Debt	-	23,413	23,413
Total liabilities	441,678	569,243	1,010,921
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Pension funding deferrals	6,294	11,506	17,800
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	5,593	5,410,954	5,416,547
Unrestricted	(305,593)	(48,882)	(354,475)
Total net position (deficit)	\$ (300,000)	\$ 5,362,072	\$ 5,062,072

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, 2019

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<u>Operating Revenues:</u>			
Service Fees	\$ 366,941	\$ 485,342	\$ 852,283
Other	232	45,148	45,380
Total Operating Revenues	367,173	530,490	897,663
<u>Operating Expenses:</u>			
Salaries and Benefits	211,658	233,052	444,710
Insurance	29,454	25,289	54,743
Repairs & Maintenance	26,379	153,736	180,115
Supplies & Chemicals	22,365	36,183	58,548
Utilities	1,821	115,808	117,629
Depreciation	8,801	364,726	373,527
Disposal Fees	105,734	-	105,734
Other	43,541	55,780	99,321
Total Operating Expenses	449,753	984,574	1,434,327
Operating Income (Loss)	(82,580)	(454,084)	(536,664)
<u>Nonoperating Revenues (Expenses):</u>			
Taxes	27,782	27,782	55,564
Other Revenue	32	1,312	1,344
Interest Expense	-	(2,011)	(2,011)
Change in Net Position Before Contributions and Transfers	(54,766)	(427,001)	(481,767)
<u>Contributions and Transfers:</u>			
Capital Contributions	-	-	-
Transfers	(45,000)	-	(45,000)
Change in net position	(99,766)	(427,001)	(526,767)
<u>Total net position - beginning</u>			
As Originally Reported	(235,577)	5,778,021	5,542,444
Prior Period Adjustment	35,343	11,052	46,395
As Restated	(200,234)	5,789,073	5,588,839
Total net position - ending	\$ (300,000)	\$ 5,362,072	\$ 5,062,072

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, 2019

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<u>Cash flow from operating activities:</u>			
Cash received from customers	\$ 336,709	\$ 591,818	\$ 928,527
Cash payments to suppliers of goods and services	(225,258)	(338,731)	(563,989)
Cash payments to employees for services	(212,177)	(234,494)	(446,671)
Net cash provided (used) by operating activities	(100,726)	18,593	(82,133)
<u>Cash flows from non-capital financing activities:</u>			
Change in interfund balances	(22,202)	(23,147)	(45,349)
Operating transfers	(45,000)	-	(45,000)
Taxes	27,782	27,782	55,564
Other Non Operating Revenue	34	1,311	1,345
Net cash provided (used) by non-capital financing activities	(39,386)	5,946	(33,440)
<u>Cash flows from capital and related financing activities:</u>			
Capital expenditures	-	-	-
Capital grant proceeds	-	-	-
Principle paid on revenue bonds	-	(11,826)	(11,826)
Interest paid on debt instruments	-	(2,012)	(2,012)
Net cash provided (used) by capital and related financing activities	-	(13,838)	(13,838)
Net increase (decrease) in cash	(140,112)	10,701	(129,411)
Beginning cash balance	144,766	353,649	498,415
Ending cash balance	\$ 4,654	\$ 364,350	\$ 369,004

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, 2019

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</u>			
Operating income (loss)	\$ (82,580)	\$ (454,084)	\$ (536,664)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	8,801	364,726	373,527
(Increase) decrease in accounts receivable	(32,319)	58,688	26,369
(Increase) decrease in prepaid expenditures	-	18,443	18,443
Decrease (Increase) in net pension liability and deferrals	8,307	17,485	25,792
(Decrease) increase in accounts and other payables	(4,271)	12,137	7,866
(Decrease) increase in meter deposits	1,855	2,640	4,495
(Decrease) increase in compensated absences	(519)	(1,442)	(1,961)
Net cash provided (used) by operating activities	<u>\$ (100,726)</u>	<u>\$ 18,593</u>	<u>\$ (82,133)</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.

Town of Ball

Notes To Financial Statements

June 30, 2019

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, 2019

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, 2019

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, 2019

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2019, cash and cash equivalents included the following amounts:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash Deposited in Banks	\$ 1,090,842	\$ 369,004	\$ 1,459,846
Cash on Hand	200	---	200
Cash and Cash Equivalents	<u>\$ 1,091,042</u>	<u>\$ 369,004</u>	<u>\$ 1,460,046</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, 2019 are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Accounts Receivable</u>			
Charges for Services	\$ ----	\$ 133,276	\$ 133,276
Franchise Taxes	33,018	----	33,018
Allowance for Doubtful Accounts	----	(56,973)	(56,973)
Total Accounts Receivable	<u>33,018</u>	<u>76,303</u>	<u>109,321</u>
<u>Due From Other Governmental Units</u>			
Sales Taxes	92,060	4,903	96,963
Other	89,899	----	89,899
Total Due From Other Governments	<u>181,959</u>	<u>4,903</u>	<u>186,862</u>
Total Receivables	<u>\$ 214,977</u>	<u>\$ 81,206</u>	<u>\$ 296,183</u>

NOTE 4 - CAPITAL ASSETS

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

Town of Ball

Notes To Financial Statements

June 30, 2019

	Non-Depreciable Capital Assets			
	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Land	\$ 50,000	\$ ----	\$ ----	\$ 50,000
Construction in Process	----	----	----	----
Total Governmental Activities	<u>50,000</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>50,000</u>
<u>Business-Type Activities</u>				
Sewer System				
Land	\$ 5,130	\$ ----	\$ ----	\$ 5,130
Construction in Process	10,000	----	10,000	----
Total Business-Type Activities	<u>\$ 15,130</u>	<u>\$ ----</u>	<u>\$ 10,000</u>	<u>\$ 5,130</u>
	Depreciable Capital Assets			
	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Furniture, Fixtures and Equipment	\$ 1,839,672	\$ 259,669	\$ ----	\$ 2,099,341
Buildings and Improvements	1,340,845	113,669	----	1,454,513
Street Infrastructure	388,265	24,300	----	412,565
Accumulated Depreciation	(2,335,689)	(148,421)	----	(2,484,109)
Total Governmental Activities	<u>\$ 1,233,094</u>	<u>\$ 249,218</u>	<u>\$ ----</u>	<u>\$ 1,482,311</u>
<u>Business-Type Activities</u>				
Sewer System				
Furniture, Fixtures and Equipment	\$ 349,600	\$ 52,447	\$ ----	\$ 349,600
Sewer System	13,914,690	10,000	----	13,924,690
Accumulated Depreciation	(8,492,301)	(364,726)	----	(8,857,026)
Total Sewer System	<u>5,771,989</u>	<u>(354,726)</u>	<u>----</u>	<u>5,417,263</u>
Sanitation Department				
Furniture, Fixtures and Equipment	362,314	----	----	362,314
Buildings and Improvements	13,092	----	----	13,092
Accumulated Depreciation	(361,012)	(8,801)	----	(369,813)
Total Sanitation Department	<u>14,394</u>	<u>(8,801)</u>	<u>----</u>	<u>5,593</u>
Total Business-Type	<u>\$ 5,786,383</u>	<u>\$ (363,527)</u>	<u>\$ ----</u>	<u>\$ 5,422,856</u>

Town of Ball

Notes To Financial Statements

June 30, 2019

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	\$ 41,194	\$ ----	\$ 41,194
Police Department	36,842	----	36,842
Fire Department	41,037	----	41,037
Streets	28,682	----	28,682
Mayor's Court	666	----	666
Sewer System	----	364,726	364,726
Sanitation	----	8,801	8,801
Total Depreciation Expense	<u>\$ 148,421</u>	<u>\$ 373,527</u>	<u>\$ 521,948</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	\$ 69,068	\$ 39,761	\$ 108,829
Accrued Payroll/Payroll Taxes	136,863	----	136,863
Other	----	----	----
Accounts and Other Payables	<u>\$ 205,931</u>	<u>\$ 39,761</u>	<u>\$ 245,692</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, 2019

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

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

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

NOTE 7- RISK MANAGEMENT

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

NOTE 8 – RESTRICTED RESOURCES

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

NOTE 9 – PENSION PLANS:

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

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 1,624,852	\$ 549,626	\$ 57,771
Firefighters' Retirement System of Louisiana	118,493	87,532	14,715
Municipal Police Employees' Retirement System of Louisiana	669,866	203,376	128,082
Total	2,413,211	840,534	200,568
Portion Applicable to Business Type Activities	<u>713,359</u>	<u>169,347</u>	<u>17,800</u>
Portion Applicable to Government Type Activities	<u>\$ 1,699,852</u>	<u>\$ 671,187</u>	<u>\$ 182,768</u>

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

Town of Ball

Notes To Financial Statements

June 30, 2019

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, 2018 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 1,148,293,981
Plan Fiduciary Net Position	734,226,194
Net Pension Liability	<u>414,067,787</u>
Town's Proportionate Share (Percentage)	0.392412%
Town's Proportionate Share (Amount)	<u>\$ 1,624,852</u>

Town of Ball

Notes To Financial Statements

June 30, 2019

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		\$ 1,589,323
Employer Contributions		(178,100)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	244,887	
Changes in Benefit Terms	----	
Employee Contributions	(24,477)	220,410
Change in Deferred Outflows of Resources		(68,446)
Change in Deferred Inflows of Resources		61,665
		<u>Ending Net Pension Liability</u>
		<u>\$ 1,624,852</u>

There were no changes between June 30, 2019 and the Plan's measurement date (June 30, 2018) 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	\$ ----	\$ 57,771	\$ (57,771)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	248,998	----	248,998
Changes of Assumptions	48,913	----	48,913
Changes in Proportion	75,923	----	75,923
Employer Contributions Made After the Measurement Date	175,792	----	175,792
	<u>549,626</u>	<u>57,771</u>	<u>491,855</u>
Total Deferrals			
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	175,792	----	175,792
	<u>\$ 373,834</u>	<u>\$ 57,771</u>	<u>\$ 316,063</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, 2019	\$ 197,065
June 30, 2020	89,920
June 30, 2021	21,962
June 30, 2022	7,116
	<u>7,116</u>
Total	<u>\$ 316,063</u>

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

Town of Ball

Notes To Financial Statements

June 30, 2019

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	7.275%, net of investment expense
Projected Salary Increases	5.000%
Mortality Rates	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables for annuitant and beneficiary members set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA RP-2000 Employee Mortality Table for employees (set back 2 years for males and females) RP-2000 Disabled Lives Mortality Tables for disabled annuitants (set back 5 years for males and 3 years for females)
Expected Remaining Service Lives	3 years for Plan A

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, 2018.

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	50%	2.20%
Public Fixed Income	35%	1.50%
Alternatives	15%	0.60%
Totals	100%	4.30%
Inflation		2.70%
Expected Arithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 7.275%. 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. The Expected Remaining Service Lives (ERSL) for 2018 is 3 years for Plan A.

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 6.275% Discount Rate	Current Discount Rate 7.275%	1% Increase 8.275 % Discount
Net Pension Liability	\$ 2,087,270	\$ 1,624,852	\$ 1,230,161

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 $3^{1/3}$ 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, 2018 (measurement date and actuarial valuation date) and details are provided as follows:

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Total Pension Liability	\$ 2,279,256,967
Plan Fiduciary Net Position	<u>1,704,049,168</u>
Net Pension Liability	575,207,799
Town's Proportionate Share (Percentage)	0.020600%
Town's Proportionate Share (Amount)	<u>\$ 118,493</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, 2018 are provided as follows:

Beginning Net Pension Liability	\$ 125,212
Employer Contributions	(13,026)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	34,963
Changes in Benefit Terms	----
Employee Contributions	<u>(5,347)</u>
Change in Deferred Outflows of Resources	(15,607)
Change in Deferred Inflows of Resources	<u>(7,702)</u>
 Ending Net Pension Liability	 <u>\$ 118,493</u>

There were no changes between June 30, 2019 and the Plan's measurement date (June 30, 2018) 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	\$ ----	\$ 9,019	\$ (9,019)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	7,705	----	7,705
Changes of Assumptions	8,266	19	8,247
Changes in Proportion	58,228	5,677	52,551
Employer Contributions Made After the Measurement Date	<u>13,333</u>	----	<u>13,333</u>
 Total Deferrals	 87,532	 14,715	 72,817
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>13,333</u>	----	<u>13,333</u>
 Deferrals Subject to Amortization	 <u>\$ 74,199</u>	 <u>\$ 14,715</u>	 <u>\$ 59,484</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, 2019	\$ 21,364
June 30, 2020	16,858
June 30, 2021	11,505
June 30, 2022	11,204
June 30, 2023	(554)
June 30, 2024	(893)
Total	\$ 59,484

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, 2018
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	7 Years
Investment Rate of Return	7.3% per annum
Inflation Rate	2.700% per annum
Projected Salary Increases	Vary from 15.0% in the first two years of service to 4.75% 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-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected nominal rate of return was 8.09% as of June 30, 2018.

Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2018 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	22%	6.14%
Non-U.S. Equity	22%	7.46%
Global Equity	10%	6.74%
Fixed Income	26%	1.76%
Real Estate	6%	4.38%
Private Equity	4%	8.73%
Global Tactical Asset Allocation	5%	4.31%
Risk Parity	5%	4.89%
Totals	100%	

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The discount rate used to measure the total pension liability was 7.3%. 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 6.3% Discount Rate	Current Discount Rate 7.3%	1% Increase 8.3 % Discount
Net Pension Liability	\$ 172,909	\$ 118,493	\$ 72,764

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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June 30, 2019

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, 2018 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, 2018 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 3,007,181,318
Plan Fiduciary Net Position	2,161,775,206
Net Pension Liability	845,406,112
Town's Proportionate Share (Percentage)	0.079236%
Town's Proportionate Share (Amount)	<u>\$ 669,866</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, 2018 are provided as follows:

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Beginning Net Pension Liability		\$	790,487
Employer Contributions			(71,973)
<u>Pension Expense</u>			
Proportionate Share of Plan Pension Expense	117,644		
Changes in Benefit Terms	----		
Employee Contributions	<u>(15,636)</u>	102,008	
Change in Deferred Outflows of Resources			(71,000)
Change in Deferred Inflows of Resources			<u>(79,656)</u>
Ending Net Pension Liability		\$	<u>669,866</u>

There were no changes between June 30, 2019 and the Plan's measurement date (June 30, 2018) 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	\$ 3,020	\$ 34,232	\$ (31,212)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	32,112	----	32,112
Changes of Assumptions	43,775	----	43,775
Changes in Proportion	27,090	93,850	(66,760)
Employer Contributions Made After the Measurement Date	<u>97,379</u>	<u>----</u>	<u>97,379</u>
Total Deferrals	203,376	128,082	75,294
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>97,379</u>	<u>----</u>	<u>97,379</u>
Deferrals Subject to Amortization	<u>\$ 105,997</u>	<u>\$ 128,082</u>	<u>\$ (22,085)</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, 2019	30,154
June 30, 2020	(13,298)
June 30, 2021	(40,107)
June 30, 2022	<u>1,166</u>
Total	<u>(22,085)</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, 2018
Actuarial Cost Method	Entry Age Normal Cost

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Investment Rate of Return	7.20 % per annum	
Expected Remaining Service Lives	4 Years	
Inflation Rate	2.6% 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, 2018 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	52%	3.58%
Fixed Income	22%	0.46%
Alternatives	20%	1.07%
Other	6%	0.17%
Totals	<u>100%</u>	<u>5.28%</u>
Inflation		<u>2.75%</u>
Expected Arithmetic Nominal Return		<u>8.03%</u>

The discount rate used to measure the total pension liability was 7.20%. 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

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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 6.20% Discount Rate	Current Discount Rate 7.20%	1% Increase 8.20 % Discount
Net Pension Liability	\$ 941,347	\$ 669,866	\$ 442,104

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	\$ 34,313	\$ ----
<u>Business Type Funds</u>		
Sewer System	24,287	----
Sanitation System	----	(58,600)
Total	58,600	(58,600)
Elimination of Interfund Activity	(24,287)	24,287
Government Wide Totals	<u>\$ 34,313</u>	<u>\$ (34,313)</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	\$ 45,000	\$ ----
<u>Business Type Funds</u>		
Sewer Fund	----	----
Sanitation Fund	----	(45,000)
Total	\$ 45,000	(45,000)
Elimination of Internal Activity	----	----
Government Wide Totals	<u>\$ 45,000</u>	<u>\$ (45,000)</u>

Town of Ball

Notes To Financial Statements

June 30, 2019

NOTE 12 – CONTINGENCIES:

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at June 30, 2019 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 – PRIOR PERIOD ADJUSTMENT FOR CORRECTION OF AN ERROR

Management has adjusted beginning fund equity/net position to correct apparent accounting errors that occurred in previous accounting periods. The significant changes are summarized below:

- Errors in the recording of interfund balances were corrected
- Long-outstanding checks were voided
- Several duplicated transactions were eliminated
- Payroll Liabilities were properly presented
- Compensated Absences were adjusted to reflect actual amounts owed
- Capital Expenditures were properly presented
- Certain Receivables were properly presented
- Accounts Payable were properly presented
- Prepaid Expenditures were properly presented

The effect of correcting these errors is presented below:

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Notes To Financial Statements **June 30, 2019**

	Governmental Activities	Business-Type Activities
Change in Net Position, Per Prior Year Audited Financial Statements	54,968	(942,578)
Correction of Error - Effect on Net Income	<u>93,360</u>	<u>(60,130)</u>
Change in Net Position, as of June 30, 2018	148,328	(1,002,708)

	General Fund
Change in Fund Balance, Per Prior Year Audited Financial Statements	1,249,250
Correction of Error - Effect on Net Income	<u>56,526</u>
Change in Fund Balance, as of June 30, 2018	1,305,776

	Governmental Activities	Business-Type Activities
Net Position - Beginning as of June 30, 2017 (Per PY Audit)	936,220	6,485,022
Correction of Error - Effect on Net Position	<u>56,526</u>	<u>106,525</u>
Net Position - Restated as of June 30, 2017	992,746	6,591,547

	General Fund
Fund Balance - Beginning as of June 30, 2017 (Per PY Audit)	(296,828)
Correction of Error - Effect on Fund Balance	<u>37,695</u>
Fund Balance - Restated as of June 30, 2017	(259,133)

NOTE 14 – 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	\$ 29,799
Fire Department	<u>5,775</u>
Total	<u>\$ 35,574</u>

NOTE 15 - 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:

Town of Ball

Notes To Financial Statements

June 30, 2019

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	\$ ----	\$ 248,567
<u>Business-Type Activities</u>				
Capital Lease	46,677	----	11,825	34,851
Total Long-term Debts	<u>\$ 46,677</u>	<u>\$ 248,567</u>	<u>\$ 11,825</u>	<u>\$ 283,418</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, 2019 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. \$ 248,567

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

2019-2020	\$ 42,046
2020-2021	48,165
2021-2022	50,405
2022-2023	52,749
2023-2024	55,202
Amounts representing interest	34,302
Present value of future minimum lease payments	<u>\$ 282,869</u>

The Town has acquired utility vehicles by entering into a capital lease purchase agreement. The purchase obligation outstanding at June 30, 2019 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. \$ 34,851

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

2019-2020	\$ 11,438
2020-2021	11,964
2021-2022	11,449
Amounts representing interest	2,403
Present value of future minimum lease payments	<u>\$ 37,254</u>

Town of Ball

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues	<u>2,256,725</u>	<u>2,320,590</u>	<u>2,521,009</u>	<u>200,419</u>
<u>Expenditures:</u>				
<i>Current:</i>				
General Government	815,375	699,161	583,073	116,088
Public Safety				
Police Department	745,000	763,050	834,796	(71,746)
Fire Department	295,375	300,350	303,613	(3,263)
Public Works (Highways and Streets)	508,400	640,700	607,661	33,039
Capital Expenditures	-	480,000	397,638	82,362
Debt Service	-	-	-	-
Total Expenditures	<u>2,364,150</u>	<u>2,883,261</u>	<u>2,726,781</u>	<u>156,480</u>
Excess (Deficiency) of Revenue Over Expenditures	(107,425)	(562,671)	(205,772)	356,899
<u>Other Financing Sources (Uses):</u>				
Proceeds from Long-Term Debt	-	270,000	248,567	(21,433)
Operating Transfers In (Out)	<u>45,000</u>	<u>65,000</u>	<u>45,000</u>	<u>(20,000)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(62,425)	(227,671)	87,795	315,466
Fund Balance (Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - End of Year	<u>\$ (62,425)</u>	<u>\$ (227,671)</u>	<u>\$ 87,795</u>	<u>\$ 315,466</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, 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, 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, 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, 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, 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, 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, 2019

Neil A. Kavanagh	\$ 48,116
Willie Bishop	14,298
L. Gail Wilking	7,600
Suzanne Duncan-Furby	7,400
Gene Decker	4,300
Kimberley Krischke	7,600
Genevive Poteet	3,700
Charlotte Smith	3,900
Marc Mercer	3,900
	<hr/>
Total	<u><u>\$ 100,814</u></u>

Town of Ball

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the year ended June 30, 2019

	Agency Head (Mayor)	
	N. Kavanagh	W. Bishop
Purpose:		
Compensation	\$ 48,116	\$ 14,298
Retirement Contributions	\$ 11,625	\$ 3,718
Insurance	\$ 7,269	\$ -
Payroll Taxes	\$ 3,681	\$ 1,094
Reimbursements	\$ -	\$ -
Total	\$ 70,691	\$ 19,110

TOWN OF BALL

Summary of Findings and Responses

June 30, 2019

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, 2019 and for the year then ended expressed an unmodified opinion.
- One significant internal control deficiency that was considered to be a material weakness was reported, see Part II for details.
- Three instances of noncompliance material to the financial statements was reported, see Part II for details.

PART II

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

2019-1: IMPROPER PAYMENT OF TERMINATION BENEFITS

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.

2019-2: LATE PAYMENT AND FILING OF RETIREMENT CONTRIBUTIONS AND PAYROLL TAXES

The Town participates in three statewide cost-sharing retirement systems. Because of the Town's participation in these systems, they are statutorily required to file monthly reports by a specified due date. In addition, the Town is required to make monthly retirement contributions by a specified due date. There were several instances in the current year in which the Town did not file the required monthly reports by the due date. In addition, there were several instances in which the Town did not make their retirement contributions by the specified due date. The Town is also required to pay certain payroll taxes to federal and state agencies. The Town did not remit all payroll taxes by required due dates during the fiscal year.

2019-3: POLICE PAYROLL

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.

2019-4: SUPPLEMENTAL PAY

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

TOWN OF BALL

Summary of Findings and Responses

June 30, 2019

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.

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, 2019

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> 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: MANAGEMENT'S RESPONSE</u> Our accounting department has been informed that such a payment should not be made again. In addition, our accounting staff is aware that if the legality of a transaction is in question, they should reach out to the Town attorney and the Town auditor for advice.</p>
<p><u>2019-2: LATE PAYMENT AND FILING OF RETIREMENT CONTRIBUTIONS AND PAYROLL TAXES</u> 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: MANAGEMENT'S RESPONSE</u> The Town has begun using a tickler system, which will insure that retirement reports are filed on time, and all retirement contributions are paid on time.</p>
<p><u>2019-3: POLICE PAYROLL</u> 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: MANAGEMENT'S RESPONSE</u> As soon as the Town became aware of the issue, the Town began paying officers for Crime Patrol only once a month. The Town will also examine its policies and procedures, as well as review all payroll related ordinances, to ensure a similar situation doesn't happen again.</p>

TOWN OF BALL

Management's Corrective Action Plan

June 30, 2019

SECTION I	
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: MANAGEMENT'S RESPONSE</u> The Town will ensure that all payroll checks are subjected to heavy scrutiny going forward, so that a similar situation will not arise in the future. In addition, the Town will require repayment of the amounts in question.
SECTION II	
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, 2019

SECTION I	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>2018-1: ACCOUNTING PRACTICES (PREVIOUSLY 2017-1)</u></p> <p>The Town's accounting practices are subject to numerous weaknesses that inhibit the Town's ability to accomplish timely and accurate financial reporting. These weaknesses limit the integrity of the accounting system that is necessary to maintain proper internal control.</p>	<p><u>2018-1: RESOLVED</u></p>
<p><u>2018-2: FINANCIAL REPORTING</u></p> <p>State Law requires political subdivisions to maintain financial records in a manner that will permit auditors to issue an unmodified opinion within six months of the end of the fiscal year. Due to the circumstances described in 2018-1, the Town of Ball did not fulfill this requirement. The specific requirements that were not met are listed as follows:</p> <ul style="list-style-type: none">• The condition of the financial records did not permit the audit to be completed by the statutorily required due date of December 31, 2018.• Circumstances did not permit issuing an unmodified opinion. <p>In order to resolve this matter, we recommend completing the corrective action suggested in 2018-1 at the earliest possible date. work already performed, this policy apparently conflicts with legal provisions that prohibit political subdivisions from giving away things of value. We suggest considering revisions to the policy to permit future violations of State Law</p>	<p><u>2018-2: RESOLVED</u></p> <p>Due to scope limitations that resulted in a disclaimer in connection with the current engagement, current procedures did not include a sample of citations. Accordingly, evidence was not sufficient to determine whether these issues have been resolved.</p>

TOWN OF BALL

Summary of Prior Year Findings

June 30, 2019

<u>SECTION II</u> MANAGEMENT LETTER	
<u>FINDINGS</u>	<u>RESPONSE</u>
<u>No Findings of this nature were reported.</u>	<u>No response necessary</u>

APPENDIX A
Statewide Agreed-Upon Procedures



**Rozier McKay
& Willis** | CERTIFIED PUBLIC
ACCOUNTANTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Town of Ball, Louisiana (Town) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Town's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are presented in the accompanying Schedule of Procedures, Results and Managements' Response.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

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

Rozier McKay, & Willis

Rozier, McKay, & Willis
Certified Public Accountants
Alexandria, Louisiana
November 13, 2019

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
I Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories. <ul style="list-style-type: none">• Budgeting• Purchasing• Disbursements• Receipts• Payroll/Personnel• Contracting• Credit Cards• Travel and expense reimbursements• Ethics• Debt• Disaster Recovery/Business Continuity	In the prior year, the entity's AUP report contained no exceptions in this category. As such, RMW only evaluated whether the entity had implemented written procedures for Disaster Recovery/Business Continuity. The Town has not implemented any written procedures regarding disaster recovery.	<i>The Town will evaluate, and adopt new written procedures as needed, in consultation with the Town's auditor and the Legislative Auditor's Best Practices.</i>

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:</p> <p>a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.</i></p>	<p>In the prior year, the entity's AUP report contained no exceptions in this category. As such, RMW has excluded this category from testing.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.		

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Bank Reconciliations		
Agreed-Upon Procedure	Results	Managements' Response
<p>3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p>	<p>RMW has obtained a listing of the Town's bank accounts and selected five for testing.</p> <p>Approximately one third of the bank reconciliations were not done within 2 months of the closing date.</p> <p>Bank reconciliations are not reviewed.</p> <p>No outstanding items over 12 months were noted.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The Finance Director will make sure all bank reconciliations are done within 2 months of the statement closing date each month.</i></p> <p><i>Management will review and approve each bank reconciliation on a monthly basis. The Town has retained an outside CPA firm to assist with monthly bookkeeping.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections		
Agreed-Upon Procedure	Results	Managements' Response
b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.	Employees responsible for collecting cash are not responsible for preparing and making bank deposits.	<i>The results did not include findings or criticisms.</i>
c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.	Employees responsible for collecting cash do not post collection entries to the general ledger.	<i>The results did not include findings or criticisms.</i>
d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.	Employees responsible for reconciling cash collections to the general ledger are not responsible for collecting cash.	<i>The results did not include findings or criticisms.</i>
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	All employees are either bonded or covered by an insurance policy for theft.	<i>The results did not include findings or criticisms.</i>
7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily	RMW randomly selected two deposit dates for each of the five accounts selected.	<i>The results did not include findings or criticisms.</i>

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections		
Agreed-Upon Procedure	Results	Managements' Response
<p>revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p> <p>a. Observe that receipts are sequentially pre-numbered.</p> <p>b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c. Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).</p> <p>e. Trace the actual deposit per the bank statement to the general ledger.</p>	<p>All receipts were sequentially pre-numbered.</p> <p>The receipt totals matched the totals on the deposit slips.</p> <p>The deposit slips agreed to the actual deposit per the bank statement.</p> <p>All deposits were made within one business day of receipt.</p> <p>The actual deposits per the bank statement were all present in the general ledger.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
<p>8 Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).</p>	<p>All disbursements are processed at Town Hall.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>9 For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:</p>		
<p>a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.</p>	<p>At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>b) At least two employees are involved in processing and approving payments to vendors.</p>	<p>Checks require dual signatures.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.</p>	<p>The Finance Director performs bookkeeping functions including adding vendors to the system.</p>	<p><i>Due to the limited staff size, it is not practical to impose limits on access within the accounting system.</i></p>
<p>d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.</p>	<p>Check signers are currently the Mayor, Town Clerk, and one Council Member. The Finance Director and his assistant process payments and mail the checks after they are signed.</p>	<p><i>Due to the limited staff size, it is not practical to segregate mailing checks and processing payments. Procedures are in place to mitigate this issue and ensure that only approved disbursements get mailed.</i></p>

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
<p>10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:</p> <p>a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p>b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p>	<p>The disbursements selected were supported by documentation.</p> <p>All of the tested disbursements had two signatures on their checks, however none of them had evidence of approval of the invoices.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The Town will implement corrective action in the future to be sure that all invoices are approved before disbursements are made.</i></p>

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
13 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	All charges were supported by an itemized receipt precisely verifying purchases. There was no written documentation of the business/public purpose. None of the selected transactions were meal charges.	<i>The Town will implement corrective action by developing procedures to enhance documentation and record keeping.</i>

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
<p>14 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy.</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>A list was furnished and representations were obtained.</p> <p>Reimbursements were reimbursed according to rates established by the U.S. General Services Administration.</p> <p>Reimbursements for actual cost were supported by an itemized receipt.</p> <p>Reimbursements were supported by documentation of the business purpose.</p> <p>Only 1 of the 5 selected reimbursements showed evidence of review or approval.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The Town will implement corrective action in the future to be sure that all reimbursements are reviewed and approved.</i></p>

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
<p>15 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:</p> <p>a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.</p> <p>b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).</p> <p>c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.</p> <p>d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.</p>	<p>Procedures related to contracts were subject to a scope limitation due to the inadequate nature of the Town's computer system/software. The software did not permit exporting general ledger data in a format that permitted sorting and filtering transactions in a manner that facilitated the identification of contract payments. In addition, the Town's records did not provide a practical alternative that would permit producing a complete list of contract payments.</p> <p>See #15 Above</p> <p>See #15 Above</p> <p>See #15 Above</p> <p>See #15 Above</p>	<p><i>Management intends to acquire a new computer software that will prevent further limitations to our responses.</i></p>

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>16 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p>	<p>Management provided a listing of all employees and represented that the listing was complete. Five employees were randomly selected, and all paid salaries agreed to authorized pay rates in the personnel files.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>17 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:</p> <p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p> <p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p> <p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	<p>All employees documented their daily attendance and leave.</p> <p>All daily attendance and leave records were approved by supervisors.</p> <p>All leave accrued or taken during the pay period was reflected in the entity's cumulative leave records.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>
<p>18 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records,</p>	<p>RMW obtained a list, and recalculated the pay for two employees that left employment with the Town in the current year. Pay rates and cumulative leave records agreed to one payment made. The other payment, to the former mayor, was not made in accordance with the Town's payroll policies.</p>	<p><i>In the future, the Town will ensure that no elected officials who are exempted from receiving vacation time receive termination benefits in the future.</i></p>

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files. 19 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	Management has represented that not all payments were made timely, and not all reports were filed timely.	<i>The Town will institute a tickler system, which will ensure that all required forms are filed, and all required payments are made timely in the future.</i>

Town of Ball

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
20 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and: a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period. b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.	One employee selected did not have evidence of completing one hour of ethics training during the period. The Town did not have signature verification that employees read the ethics policy.	<i>We will better monitor and ensure that all of our employees in the future take their required ethics training yearly.</i> <i>Management now has new policies and procedures that the employees will sign that they have read.</i>

Town of Ball

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Schedule of Procedures, Results and Managements' Response

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
21 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	No bonds or notes were issued during the fiscal period. New Debt was limited to capital leases, which are not subject to Bond Commission Approval. Supporting documentation for the capital leases was appropriate.	<i>The results did not include findings or criticisms.</i>
22 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.	No bonds or notes were issued during the fiscal period. New Debt was limited to capital leases, which are not subject to Bond Commission Approval. In addition, the Town was not subjected to any debt covenants or restrictions in association with the lease. All payments were made as required.	<i>The results did not include findings or criticisms.</i>

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Other		
Agreed-Upon Procedure	Results	Managements' Response
23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	Based on management's representations, there were no misappropriations.	<i>The results did not include findings or criticisms.</i>
24 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	No exceptions were identified.	<i>The results did not include findings or criticisms.</i>