

**TOWN OF ST. JOSEPH, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

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

TOWN OF ST. JOSEPH, LOUISIANA

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

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# J. WALKER & COMPANY<sup>APC</sup>

ACCOUNTANTS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the Town Council  
Town of St. Joseph, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of St. Joseph, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' 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 and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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.

#### OFFICES:

2740 RUE DE JARDIN  
STE. 100

LAKE CHARLES  
LOUISIANA 70605  
(O) 337-478-7902  
(F) 337-478-3345

5100 WESTHEIMER  
SUITE 230  
HOUSTON  
TEXAS 77056

(O) 713-588-4460  
(F) 713-966-6125

[WWW.JWALKERCO.COM](http://WWW.JWALKERCO.COM)

#### MEMBER OF:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of St. Joseph, Louisiana's basic financial statements. The combining nonmajor fund financial statements, schedule of compensation paid to aldermen, schedule of compensation, benefits and other payments to agency head, justice system funding schedule, and financial statements of towns of Newellton and St. Joseph, Louisiana jointly owned gas line operations and maintenance fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, schedule of compensation paid to aldermen, schedule of compensation, benefits and other payments to agency head, and justice system funding schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the



auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, schedule of compensation paid to aldermen, schedule of compensation, benefits and other payments to agency head, and justice system funding schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The financial statements of Towns of Newellton and St. Joseph, Louisiana jointly owned gas line operations and maintenance fund have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2021, on our consideration of the Town of St. Joseph, Louisiana'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*J. Walker & Company, APC*  
Lake Charles, Louisiana  
December 28, 2021



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

## TOWN OF ST. JOSEPH, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2021

As management of the Town of St. Joseph, we offer readers of the Town of St. Joseph's financial statements this narrative overview and analysis of the financial activities of the Town of Saint Joseph for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

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

- The assets and deferred outflows of resources of the Town of Saint Joseph exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$9,554,991. Of this amount, \$363,115 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position decreased \$100,321 or 1%. Revenues were up in most categories compared to the prior year.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balances of \$478,666, an increase of \$115,344 or 32% in comparison with the prior year. Approximately 96% of this amount or \$458,511 was available for spending at the Town's discretion (unassigned fund balance).
- At the end of the current fiscal year, assigned fund balance for the governmental funds was \$20,155, or approximately 4% of total general fund expenditures.

### USING THIS ANNUAL REPORT

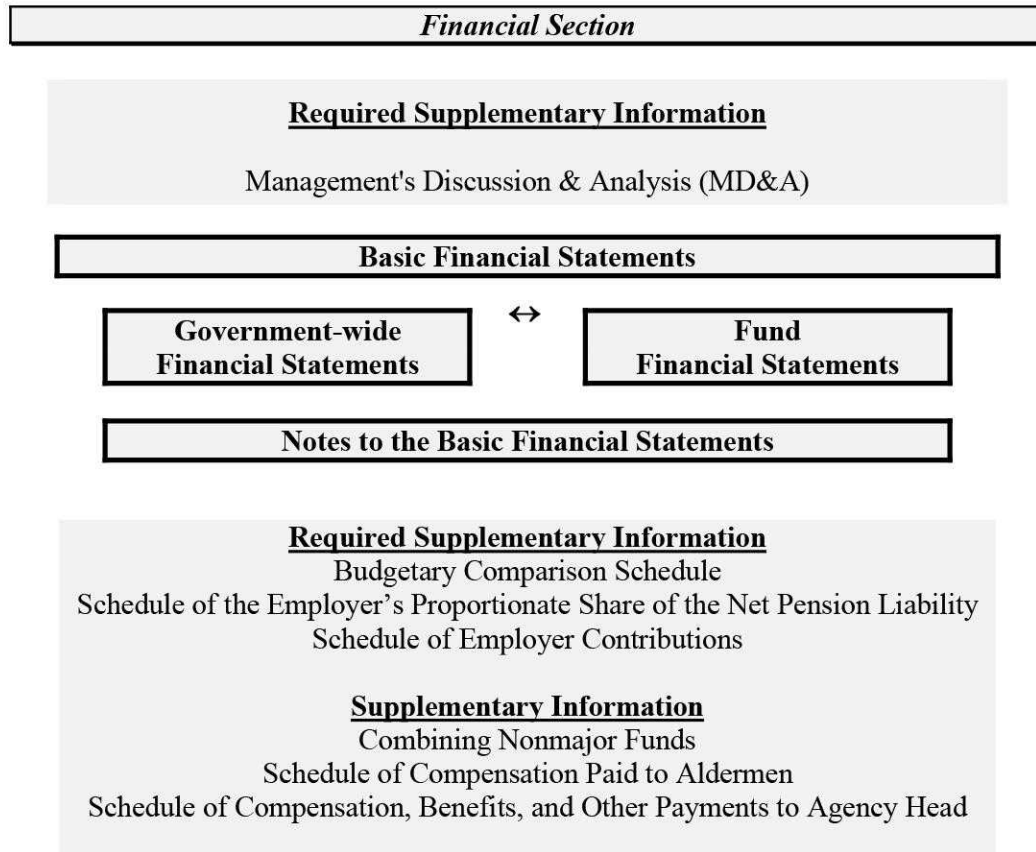
The Town's annual report consists of a series of financial statements that show information for the Town as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's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



**TOWN OF ST. JOSEPH, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2021

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



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

**Government-wide financial statements**

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

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

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

## TOWN OF ST. JOSEPH, LOUISIANA

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

For the Year Ended June 30, 2021

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

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

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

#### **Fund financial statements**

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

#### **Governmental funds**

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

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

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

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

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

**TOWN OF ST. JOSEPH, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2021

**Proprietary funds**

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

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

**Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government entity. For the year ended June 30, 2021, the Town had no fiduciary funds.

**THE TOWN AS A WHOLE**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Saint Joseph, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,554,991 at the close of the fiscal year ended June 30, 2021.

**Table 1  
Schedule of Net Position  
June 30, 2021**

|                                  | <u>Governmental Activities</u> |                   | <u>Business-type Activities</u> |                     | <u>Total Government</u> |                     |
|----------------------------------|--------------------------------|-------------------|---------------------------------|---------------------|-------------------------|---------------------|
|                                  | <u>2021</u>                    | <u>2020</u>       | <u>2021</u>                     | <u>2020</u>         | <u>2021</u>             | <u>2020</u>         |
| <b><u>ASSETS</u></b>             |                                |                   |                                 |                     |                         |                     |
| Current and other assets         | \$ 499,300                     | \$ 381,285        | \$ 60,842                       | \$ (32,814)         | \$ 560,142              | \$ 348,471          |
| Capital assets                   | 148,425                        | 176,117           | 9,322,250                       | 9,595,097           | 9,470,675               | 9,771,214           |
| <b>TOTAL ASSETS</b>              | <b>647,725</b>                 | <b>557,402</b>    | <b>9,383,092</b>                | <b>9,562,283</b>    | <b>10,030,817</b>       | <b>10,119,685</b>   |
| Deferred outflows of resources   | 11,824                         | 82,909            | -                               | 10,036              | 11,824                  | 92,945              |
| <b><u>LIABILITIES</u></b>        |                                |                   |                                 |                     |                         |                     |
| Current and other liabilities    | 20,634                         | 17,963            | 117,302                         | 100,473             | 137,936                 | 118,436             |
| Long-term liabilities            | 43,099                         | 90,569            | 293,060                         | 342,595             | 336,159                 | 433,164             |
| <b>TOTAL LIABILITIES</b>         | <b>63,733</b>                  | <b>108,532</b>    | <b>410,362</b>                  | <b>443,068</b>      | <b>474,095</b>          | <b>551,600</b>      |
| Deferred inflows of resources    | 13,555                         | 2,112             | -                               | 3,606               | 13,555                  | 5,718               |
| <b><u>NET POSITION</u></b>       |                                |                   |                                 |                     |                         |                     |
| Net investment in capital assets | 148,425                        | 176,117           | 9,019,967                       | 9,283,886           | 9,168,392               | 9,460,003           |
| Restricted                       | -                              | -                 | 23,484                          | 18,061              | 23,484                  | 18,061              |
| Unrestricted                     | 433,836                        | 353,550           | (70,721)                        | (176,302)           | 363,115                 | 177,248             |
| <b>TOTAL NET POSITION</b>        | <b>\$ 582,261</b>              | <b>\$ 529,667</b> | <b>\$ 8,972,730</b>             | <b>\$ 9,125,645</b> | <b>\$ 9,554,991</b>     | <b>\$ 9,655,312</b> |

**TOWN OF ST. JOSEPH, LOUISIANA**

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

For the Year Ended June 30, 2021

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

An additional portion of the Town's net position, \$23,484, represents resources that are subject to external restrictions on how they may be used. Remaining for unrestricted net position is a surplus balance of \$363,115.

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

**Table 2  
Changes in Net Position  
For the Years Ended June 30, 2021**

|                                   | Governmental Activities |                   | Business-type Activities |                     | Total Government    |                     |
|-----------------------------------|-------------------------|-------------------|--------------------------|---------------------|---------------------|---------------------|
|                                   | 2021                    | 2020              | 2021                     | 2020                | 2021                | 2020                |
| <b><u>REVENUES</u></b>            |                         |                   |                          |                     |                     |                     |
| Program Revenues:                 |                         |                   |                          |                     |                     |                     |
| Charges for services              | \$ 115,422              | \$ 113,887        | \$ 725,663               | \$ 612,654          | \$ 841,085          | \$ 726,541          |
| Operating grants                  | 3,692                   | 12,000            | -                        | -                   | 3,692               | 12,000              |
| Capital grants                    | -                       | -                 | -                        | -                   | -                   | -                   |
| General Revenue:                  |                         |                   |                          |                     |                     |                     |
| Ad valorem taxes                  | 44,745                  | 43,340            | -                        | -                   | 44,745              | 43,340              |
| Sales tax                         | 122,752                 | 104,438           | -                        | -                   | 122,752             | 104,438             |
| License and permits               | 113,228                 | 96,397            | -                        | -                   | 113,228             | 96,397              |
| Income(loss) from jointly own gas |                         |                   |                          |                     |                     |                     |
| Operation and Maintenance fund    | -                       | -                 | 564                      | (914)               | 564                 | (914)               |
| Other General revenue             | 38,034                  | 30,018            | 33,949                   | 601                 | 71,983              | 30,619              |
| <b>Total Revenues</b>             | <b>437,873</b>          | <b>400,080</b>    | <b>760,176</b>           | <b>612,341</b>      | <b>1,198,049</b>    | <b>1,012,421</b>    |
| <b><u>EXPENDITURES</u></b>        |                         |                   |                          |                     |                     |                     |
| General government                | 160,848                 | 185,029           | -                        | -                   | 160,848             | 185,029             |
| Public safety                     | 54,174                  | 101,263           | -                        | -                   | 54,174              | 101,263             |
| Public works                      | 161,155                 | 153,858           | -                        | -                   | 161,155             | 153,858             |
| Culture and recreation            | 9,102                   | 7,876             | -                        | -                   | 9,102               | 7,876               |
| Utilities                         | -                       | -                 | 913,091                  | 796,955             | 913,091             | 796,955             |
| <b>Total Expenditures</b>         | <b>385,279</b>          | <b>448,026</b>    | <b>913,091</b>           | <b>796,955</b>      | <b>1,298,370</b>    | <b>1,244,981</b>    |
| <b>CHANGE IN NET POSITIONS</b>    | <b>52,594</b>           | <b>(47,946)</b>   | <b>(152,915)</b>         | <b>(184,614)</b>    | <b>(100,321)</b>    | <b>(232,560)</b>    |
| <b>Net Position, Beginning</b>    | <b>529,667</b>          | <b>577,613</b>    | <b>9,125,645</b>         | <b>9,310,259</b>    | <b>9,655,312</b>    | <b>9,887,872</b>    |
| <b>Net Position, Ending</b>       | <b>\$ 582,261</b>       | <b>\$ 529,667</b> | <b>\$ 8,972,730</b>      | <b>\$ 9,125,645</b> | <b>\$ 9,554,991</b> | <b>\$ 9,655,312</b> |

**TOWN OF ST. JOSEPH, LOUISIANA**

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

For the Year Ended June 30, 2021

**Governmental activities**

In the current year, governmental activities had an increase of \$52,594 in net position, compared to a \$47,946 decrease in the prior year.

Sales tax revenue, which provided \$122,752 or 28% of revenue, was the largest source of general revenues for the Town's governmental activities. Charges for services was second at \$115,422, or 26%. Licenses and permits experienced an increase in collections of \$16,831 over the amounts reported in 2020. Other revenue types were consistent with the prior year.

The cost of all governmental activities this year was \$385,279. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through Town taxes was only \$322,069 because some of the cost was paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions.

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

**Table 3  
Governmental Activities  
Fiscal Years Ended June 30, 2021**

|                                       | <u>Total Cost Of Services</u> |                   |                    | <u>Net Cost of Services</u> |                   |                    |
|---------------------------------------|-------------------------------|-------------------|--------------------|-----------------------------|-------------------|--------------------|
|                                       | <u>2021</u>                   | <u>2020</u>       | <u>Change</u>      | <u>2021</u>                 | <u>2020</u>       | <u>Change</u>      |
| <b><u>Governmental Activities</u></b> |                               |                   |                    |                             |                   |                    |
| General government                    | \$ 160,848                    | \$ 185,036        | \$ (24,188)        | \$160,848                   | \$ 185,029        | \$ (24,181)        |
| Public safety                         | 54,174                        | 101,263           | (47,089)           | 50,482                      | 89,263            | (38,781)           |
| Public works                          | 161,155                       | 153,858           | 7,297              | 45,733                      | 39,971            | 5,762              |
| Culture and recreation                | 9,102                         | 7,876             | 1,226              | 9,102                       | 7,876             | 1,226              |
| Total function/programs expenses      | <u>\$ 385,279</u>             | <u>\$ 448,033</u> | <u>\$ (62,754)</u> | <u>\$266,165</u>            | <u>\$ 322,139</u> | <u>\$ (55,974)</u> |

**Business-type activities**

The decrease in net position for business-type operations for the current year was \$152,915 compared to a decrease of \$184,614 in the prior year. Charges for services increased \$113,009. Expenses increased \$116,136 or 15%..

**Financial Analysis of the Governmental Funds**

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund

**TOWN OF ST. JOSEPH, LOUISIANA**

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

For the Year Ended June 30, 2021

balances of \$478,666 an increase of \$115,344, when compared with the prior year. \$458,511 of this total fund balance constitutes unassigned fund balance, which is available for spending at the Town's discretion and \$20,155 is assigned to specific purposes.

The general fund is the chief operating fund of the Town of Saint Joseph. At the end of the current fiscal year, fund balance of the general fund was \$478,666 which is an increase of \$115,344 from the \$343,167 fund balance reported for the prior fiscal year. Revenues increased from the \$396,802 reported in fiscal 2020 to \$479,207, an increase of \$82,405 or 21%. Expenditures decreased \$55,986 or 13%. Expenditures for public safety had the most significant decrease.

**General Fund Budgetary Highlights**

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

**Capital Assets and Debt Administration**

*Capital assets*

As for the year ended June 30, 2021, the Town had \$9,470,675 (net of accumulated depreciation) invested in a broad range of capital assets including land, buildings, improvements, machinery, and equipment for its governmental and business-type activities. This amount represents a net decrease (including additions of \$33,908 and depreciation of \$334,447) of \$300,539, or 3%.

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

|                                 | <b>Capital Assets</b>          |                   |                                 |                     |                         |                     |
|---------------------------------|--------------------------------|-------------------|---------------------------------|---------------------|-------------------------|---------------------|
|                                 | <b>June 30, 2021</b>           |                   |                                 |                     |                         |                     |
|                                 | <u>Governmental Activities</u> |                   | <u>Business-type Activities</u> |                     | <u>Total Government</u> |                     |
|                                 | <u>2021</u>                    | <u>2020</u>       | <u>2021</u>                     | <u>2020</u>         | <u>2021</u>             | <u>2020</u>         |
| <b>No depreciable assets:</b>   |                                |                   |                                 |                     |                         |                     |
| Land                            | \$ 28,810                      | \$ 32,120         | \$ 7,886                        | \$ 7,886            | \$ 36,696               | \$ 40,006           |
| Total nondepreciable assets     | <u>28,810</u>                  | <u>32,120</u>     | <u>7,886</u>                    | <u>7,886</u>        | <u>36,696</u>           | <u>40,006</u>       |
| <b>Depreciable assets, net:</b> |                                |                   |                                 |                     |                         |                     |
| Building                        | 44,091                         | 48,283            | -                               | -                   | 44,091                  | 48,283              |
| Walking trail                   | 58,193                         | 63,070            | -                               | -                   | 58,193                  | 63,070              |
| Water system                    | -                              | -                 | 8,116,362                       | 8,320,822           | 8,116,362               | 8,320,822           |
| Water tower                     | -                              | -                 | 484,719                         | 498,314             | 484,719                 | 498,314             |
| Gas system                      | -                              | -                 | 7,124                           | 19,247              | 7,124                   | 19,247              |
| Sewer system                    | -                              | -                 | 446,372                         | 485,090             | 446,372                 | 485,090             |
| Equipment                       | 17,331                         | 32,644            | 7,777                           | 3,330               | 25,108                  | 35,974              |
| Amphitheatre                    | -                              | -                 | 252,010                         | 260,408             | 252,010                 | 260,408             |
| Total depreciable assets, net   | <u>119,615</u>                 | <u>143,997</u>    | <u>9,314,364</u>                | <u>9,587,211</u>    | <u>9,433,979</u>        | <u>9,731,208</u>    |
| Total capital assets, net       | <u>\$ 148,425</u>              | <u>\$ 176,117</u> | <u>\$ 9,322,250</u>             | <u>\$ 9,595,097</u> | <u>\$ 9,470,675</u>     | <u>\$ 9,771,214</u> |

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

## TOWN OF ST. JOSEPH, LOUISIANA

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

For the Year Ended June 30, 2021

#### *Long-term Debt*

The Town's business-type activities has one long-term bond debt at June 30, 2021, which was a \$423,000 revenue bond dated January 26, 2004. Installments are due in monthly payments of \$1,599 through January 26, 2044, with interest at 3.25%. The proceeds of these bonds were used to construct a water treatment plant. The outstanding balance at June 30, 2021, was \$302,283.

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

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

The Town's budgeted revenues and expenditures for 2022 are comparable to 2021's actual revenues and expenditures. The Town does not anticipate any changes in its day-to-day operations that will have a material effect on its 2022 budget of the general fund.

#### **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**



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

**TOWN OF ST. JOSEPH, LOUISIANA**

**STATEMENT OF NET POSITION**

**June 30, 2021**

|  | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Statement A<br/>Total</u> |
|--|------------------------------------|-------------------------------------|------------------------------|
| <b>ASSETS</b>  |                                    |                                     |                              |
| Cash and cash equivalents  | \$ 174,553                         | \$ 183,004                          | \$ 357,557                   |
| Receivables, net   | 20,932                             | 76,708                              | 97,640                       |
| Internal balances  | 303,815                            | (303,815)                           | -                            |
| Gas utility deposit  | -                                  | 25,000                              | 25,000                       |
| Restricted assets:   |                                    |                                     |                              |
| Cash and cash equivalents  | -                                  | 81,462                              | 81,462                       |
| Investment in jointly owned gas line operation and<br>maintenance fund | -                                  | (1,517)                             | (1,517)                      |
| Capital assets:  |                                    |                                     |                              |
| Land and construction in progress                                      | 28,810                             | 7,886                               | 36,696                       |
| Depreciable assets, net of deprecation                                 | 119,615                            | 9,314,364                           | 9,433,979                    |
| TOTAL ASSETS   | <u>647,725</u>                     | <u>9,383,092</u>                    | <u>10,030,817</u>            |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                  |                                    |                                     |                              |
| Deferred outflows of resources related to pensions                     | <u>11,824</u>                      | <u>-</u>                            | <u>11,824</u>                |
| <b>LIABILITIES</b>   |                                    |                                     |                              |
| Accounts payable and accrued expenses                                  | 14,865                             | 47,268                              | 62,133                       |
| Accrued payroll and benefits   | 5,769                              | 2,833                               | 8,602                        |
| Payable from restricted assets - customer and<br>utility payments      | -                                  | 57,978                              | 57,978                       |
| Long-term liabilities:   |                                    |                                     |                              |
| Due within one year  | -                                  | 9,223                               | 9,223                        |
| Due in more than one year  | 43,099                             | 293,060                             | 336,159                      |
| TOTAL LIABILITIES  | <u>63,733</u>                      | <u>410,362</u>                      | <u>474,095</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |                                    |                                     |                              |
| Deferred inflows of resources related to pensions                      | <u>13,555</u>                      | <u>-</u>                            | <u>13,555</u>                |
| <b>NET POSITION</b>  |                                    |                                     |                              |
| Net investment in capital assets                                       | 148,425                            | 9,019,967                           | 9,168,392                    |
| Restricted   | -                                  | 23,484                              | 23,484                       |
| Unrestricted (deficit)   | 433,836                            | (70,721)                            | 363,115                      |
| TOTAL NET POSITION   | <u>\$ 582,261</u>                  | <u>\$ 8,972,730</u>                 | <u>\$ 9,554,991</u>          |

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

TOWN OF ST. JOSEPH, LOUISIANA

STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2021

Statement B

| Functions/Programs  | Expenses            | Program Revenues       |                     |                   | Primary Government<br>Net (Expense) Revenue<br>and Changes in Net Position |                             | Total               |
|---|---------------------|------------------------|---------------------|-------------------|--|-----------------------------|---------------------|
|   |                     | Charge for<br>Services | Operating<br>Grants | Capital<br>Grants | Governmental<br>Activities   | Business-type<br>Activities |                     |
| Governmental Activities   |                     |                        |                     |                   |  |                             |                     |
| General government  | \$ 160,848          | \$ -                   | \$ -                | \$ -              | \$ (160,848)   | \$ -                        | \$ (160,848)        |
| Public safety   | 54,174              | -                      | 3,692               | -                 | (50,482)   | -                           | (50,482)            |
| Public works  | 161,155             | 115,422                | -                   | -                 | (45,733)   | -                           | (45,733)            |
| Culture and recreation  | 9,102               | -                      | -                   | -                 | (9,102)  | -                           | (9,102)             |
| Total governmental activities   | <u>385,279</u>      | <u>115,422</u>         | <u>3,692</u>        | <u>-</u>          | <u>(266,165)</u>   | <u>-</u>                    | <u>(266,165)</u>    |
| Business-type activity:   |                     |                        |                     |                   |  |                             |                     |
| Utility fund  | 913,091             | 725,663                | -                   | -                 | -  | (187,428)                   | (187,428)           |
| Total Governmental Activities   | <u>\$ 1,298,370</u> | <u>\$ 841,085</u>      | <u>\$ 3,692</u>     | <u>\$ -</u>       | <u>\$ (266,165)</u>  | <u>\$ (187,428)</u>         | <u>\$ (453,593)</u> |
| General revenues  |                     |                        |                     |                   |  |                             |                     |
| Taxes:  |                     |                        |                     |                   |  |                             |                     |
| Ad valorem taxes  |                     |                        |                     |                   | 44,745   | -                           | 44,745              |
| Sales taxes   |                     |                        |                     |                   | 122,752  | -                           | 122,752             |
| License and permits   |                     |                        |                     |                   | 113,228  | -                           | 113,228             |
| Fines and forfeitures   |                     |                        |                     |                   | 1,725  | -                           | 1,725               |
| Use of money and property   |                     |                        |                     |                   | 21,111   | 67                          | 21,178              |
| Miscellaneous   |                     |                        |                     |                   | 49,080   | -                           | 49,080              |
| Income (loss) from jointly owned gas<br>operations and maintenance fund |                     |                        |                     |                   | (33,882)   | 33,882                      | -                   |
|   |                     |                        |                     |                   | -  | 564                         | 564                 |
| Total general revenues  |                     |                        |                     |                   | <u>318,759</u>   | <u>34,513</u>               | <u>353,272</u>      |
| Changes in net position   |                     |                        |                     |                   | 52,594   | (152,915)                   | (100,321)           |
| Net Position - beginning  |                     |                        |                     |                   | <u>529,667</u>   | <u>9,125,645</u>            | <u>9,655,312</u>    |
| Net Position - ending   |                     |                        |                     |                   | <u>\$ 582,261</u>  | <u>\$ 8,972,730</u>         | <u>\$ 9,554,991</u> |

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

**BASIC FINANCIAL STATEMENTS:  
FUND FINANCIAL STATEMENTS**

**TOWN OF ST. JOSEPH, LOUISIANA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021**

**Statement C**

|                                       | <u>General</u>    | <u>Nonmajor</u>  | <u>Total</u>      |
|---------------------------------------|-------------------|------------------|-------------------|
| <b>ASSETS</b>                         |                   |                  |                   |
| Cash and cash equivalents             | \$ 167,329        | \$ 7,224         | \$ 174,553        |
| Receivables                           | 20,932            | -                | 20,932            |
| Interfund receivables                 | <u>290,884</u>    | <u>12,931</u>    | <u>303,815</u>    |
| Total assets                          | <u>479,145</u>    | <u>20,155</u>    | <u>499,300</u>    |
| <b>LIABILITIES</b>                    |                   |                  |                   |
| Accounts payable and accrued expenses | 5,769             | -                | 5,769             |
| Accrued payroll and benefits          | <u>14,865</u>     | <u>-</u>         | <u>14,865</u>     |
| Total liabilities                     | <u>20,634</u>     | <u>-</u>         | <u>20,634</u>     |
| <b>FUND BALANCES</b>                  |                   |                  |                   |
| Assigned                              | -                 | 20,155           | 20,155            |
| Unassigned                            | <u>458,511</u>    | <u>-</u>         | <u>458,511</u>    |
| Total fund balances                   | <u>458,511</u>    | <u>20,155</u>    | <u>478,666</u>    |
| Total liabilities and fund balances   | <u>\$ 479,145</u> | <u>\$ 20,155</u> | <u>\$ 499,300</u> |

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

**TOWN OF ST. JOSEPH, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2021**

**Statement D**

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

|  |    |         |
|--|----|---------|
| Total fund balances for governmental funds (Statement C) | \$ | 478,666 |
|--|----|---------|

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

|                          |                  |         |
|--------------------------|------------------|---------|
| Cost of capital assets   | 1,104,616        |         |
| Accumulated depreciation | <u>(956,191)</u> | 148,425 |

|   |        |
|---|--------|
| Deferred outflows of resources are not available to pay current period expenditures, and therefore, are not reported in the governmental funds. | 11,824 |
|---|--------|

|   |          |
|---|----------|
| Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the governmental funds. | (13,555) |
|---|----------|

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

|                       |                 |
|-----------------------|-----------------|
| Net pension liability | <u>(43,099)</u> |
|-----------------------|-----------------|

|   |    |                       |
|---|----|-----------------------|
| Total net position of governmental activities | \$ | <u><u>582,261</u></u> |
|---|----|-----------------------|

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

**TOWN OF ST. JOSEPH, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2021**

|  | <u>General Fund</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Statement E<br/>Total</u> |
|--|---------------------|--|------------------------------|
| <b>Revenues:</b>                                     |                     |  |                              |
| Taxes  |                     |  |                              |
| Ad valorem   | \$ 44,745           | -  | \$ 44,745                    |
| Sales and use  | 122,752             | -  | 122,752                      |
| Charges for services                                 | 115,422             | -  | 115,422                      |
| Licenses, permits and commission for services        | 113,228             | -  | 113,228                      |
| Intergovernmental - state                            | 3,692               | -  | 3,692                        |
| Fines and forfeits                                   | 1,725               | -  | 1,725                        |
| Use of money and property                            | 21,111              | -  | 21,111                       |
| Miscellaneous revenues                               | <u>56,532</u>       | <u>-</u>                                   | <u>56,532</u>                |
| Total revenues                                       | <u>479,207</u>      | <u>-</u>                                   | <u>479,207</u>               |
| <br><b>Expenditures:</b>                             |                     |  |                              |
| Current:   |                     |  |                              |
| General government                                   | 156,862             | -  | 156,862                      |
| Public safety  | 49,606              | -  | 49,606                       |
| Public works   | 153,171             | -  | 153,171                      |
| Culture and recreation                               | <u>4,224</u>        | <u>-</u>                                   | <u>4,224</u>                 |
| Total expenditures                                   | <u>363,863</u>      | <u>-</u>                                   | <u>363,863</u>               |
| Excess (deficiency) of revenues<br>over expenditures | 115,344             | -  | 115,344                      |
| Fund balances, beginning                             | <u>343,167</u>      | <u>20,155</u>                              | <u>363,322</u>               |
| Fund balances, ending                                | <u>\$ 458,511</u>   | <u>\$ 20,155</u>                           | <u>\$ 478,666</u>            |

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

**TOWN OF ST. JOSEPH, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021**

|  | <u>Statement F</u> |
|--|--------------------|
| Amounts reported for governmental activities in the statement of activities are different because:   |                    |
| Net changes in fund balances - total governmental funds (Statement E)  | \$ 115,344         |
| <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:</p> |                    |
| Capital outlays  | -                  |
| Depreciation   | (24,382)           |
| Cost of asset sold   | (3,310)            |
| <p>The recognition of pension expense in the statement of activities is based on projected benefits payments discounted to actuarial present value and attributed to periods of employee services. Pension expenditures in the governmental funds are the amounts actually paid.</p>                 |                    |
|  | <u>(35,058)</u>    |
| Change in net position of governmental activities  | <u>\$ 52,594</u>   |

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



**TOWN OF ST. JOSEPH, LOUISIANA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2021**

|  | <b>Statement G</b> |
|--|--------------------|
| <b>ASSETS</b>  | Utility Fund       |
| Current assets:  |                    |
| Cash and cash equivalents  | \$ 183,004         |
| Receivables, net   | 76,708             |
| Total current assets   | 259,712            |
| Noncurrent assets:   |                    |
| Gas utility deposit  | 25,000             |
| Restricted cash and cash equivalents                                   | 81,462             |
| Investment in jointly owned gas line operation and<br>maintenance fund | (1,517)            |
| Capital assets:  |                    |
| Land   | 7,886              |
| Depreciable assets, net of depreciation                                | 9,314,364          |
| Total noncurrent assets  | 9,427,195          |
| Total assets   | 9,686,907          |
| <b>LIABILITIES</b>   |                    |
| Current liabilities :  |                    |
| Accounts payable and accrued expenses                                  | 47,268             |
| Accrued payroll and benefits   | 2,833              |
| Interfund payable  | 303,815            |
| Revenue bonds payable  | 9,223              |
| Total current liabilities  | 363,139            |
| Liabilities payable from restricted assets:                            |                    |
| Customer deposits  | 54,950             |
| Utility payments   | 3,028              |
| Total Liabilities Payable from Restricted Assets                       | 57,978             |
| Noncurrent liabilities:  |                    |
| Revenue bonds payable  | 293,060            |
| Net pension liability  | -                  |
| Total noncurrent liabilities   | 293,060            |
| Total liabilities  | 714,177            |
| <b>NET POSITION</b>  |                    |
| Net investment in capital assets                                       | 9,019,967          |
| Restricted   | 23,484             |
| Unrestricted (deficit)   | (70,721)           |
| Net position   | \$ 8,972,730       |

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

**TOWN OF ST. JOSEPH, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION PROPRIETARY FUNDS  
For the Year Ended June 30, 2021**

|   | <b>Statement H</b> |
|---|--------------------|
|   | Utility Fund       |
| Operating revenues:   |                    |
| Water sales   | \$ 358,974         |
| Gas sales   | 223,812            |
| Sewer sales   | 133,606            |
| Other operating revenue   | 9,271              |
| Total operating revenues  | 725,663            |
| <br>Operating expenses:   |                    |
| Water expenses  | 386,191            |
| Gas expenses  | 197,481            |
| Sewer expenses  | 6,484              |
| Depreciation  | 310,066            |
| General and administrative  | 2,610              |
| Total operating expenses  | 902,832            |
| Operating income (loss)   | (177,169)          |
| <br>Nonoperating revenues (expenses):                                       |                    |
| Interest income   | 67                 |
| Transfer in   | 33,882             |
| Income (loss) from jointly owned gas line<br>operation and maintenance fund | 564                |
| Interest expense  | (10,259)           |
| Total Nonoperating revenues (expenses)                                      | 24,254             |
| Change in net position  | (152,915)          |
| Net position, beginning   | 9,125,645          |
| Net position, ending  | \$ 8,972,730       |

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

TOWN OF ST. JOSEPH, LOUISIANA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2021

|   | <u>Statement I</u>  |
|---|---------------------|
|   | <u>Utility Fund</u> |
| <b>Cash flows from operating activities:</b>                          |                     |
| Cash received from customers  | \$ 738,128          |
| Cash paid for employee services and benefits                          | (105,506)           |
| Payments to others  | (508,586)           |
| Other receipts  | 9,271               |
| Net cash provided (used) by operating activities                      | <u>133,307</u>      |
| <b>Cash flows from investing activities</b>                           |                     |
| Earnings on investments   | <u>67</u>           |
| Net cash provided (used) by investing activities                      | <u>67</u>           |
| <b>Cash flows from capital and related financing activities:</b>      |                     |
| Transfer in   | 33,882              |
| Acquisition of capital assets   | (37,219)            |
| Principal payment bonds   | (8,928)             |
| Interest expense  | <u>(10,259)</u>     |
| Net cash provided (used) for capital and related financing activities | <u>(22,524)</u>     |
| <b>Net increase in cash and cash equivalents</b>                      | 110,850             |
| <b>Cash and cash equivalents, beginning of period</b>                 | <u>153,616</u>      |
| <b>Cash and cash equivalents, end of period</b>                       | <u>\$ 264,466</u>   |

(Continued)

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

TOWN OF ST. JOSEPH, LOUISIANA

STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2021

|   | <u>Statement I</u>  |
|---|---------------------|
|   | <u>Utility Fund</u> |
| Reconciliation of operating income(loss) to net cash<br><b>Provided (used) by operating activities:</b> |                     |
| Operating income (loss)   | \$ (177,169)        |
| Adjustments to reconcile operating loss to net cash<br>provided (used) by operating activities:         |                     |
| Depreciation  | 310,066             |
| (Increase) decrease in operating accounts receivable  | (15,056)            |
| Increase (decrease) in operating accounts payable   | 10,190              |
| Increase (decrease) in interfund payable  | 32,814              |
| Increase (decrease) in due to retirement system   | (33,882)            |
| Increase (decrease) in accrued payroll benefits   | 2,366               |
| Increase (decrease) in deposits due others  | 4,820               |
| Increase (decrease) in utility payment for others   | <u>(842)</u>        |
| Net cash provided (used) by operating activities  | <u>\$ 133,307</u>   |

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

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

TOWN OF ST. JOSEPH, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2021

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# TOWN OF ST. JOSEPH, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

### Note 1 - Summary of Significant Accounting Policies

#### A. Financial Reporting Entity

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

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

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

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

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

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

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

#### B. Basis of Presentation

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

# TOWN OF ST. JOSEPH, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021

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

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

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

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

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

### **Fund Financial Statements**

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

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

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



## TOWN OF ST. JOSEPH, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

#### Governmental Funds

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

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

The Town reports the following major governmental fund:

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

#### *Revenues:*

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

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

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

#### Proprietary Funds

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

## TOWN OF ST. JOSEPH, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

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

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

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

The Town reports the following major enterprise fund:

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

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

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

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

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

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

## TOWN OF ST. JOSEPH, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

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

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

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

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

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

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

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

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

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

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

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

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2021

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

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

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

**G. Long-term Liabilities**

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

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

**H. Fund Equity**

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

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

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

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

## TOWN OF ST. JOSEPH, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

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

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

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

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

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

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

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

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

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

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

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

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

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2021

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

**M. Use of Estimates**

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

**Note 2 - Cash and Cash Equivalents and Investments**

At June 30, 2021, the Town had cash and cash equivalents totaling \$439,019 as follows:

|                 |    |                       |
|-----------------|----|-----------------------|
| Petty Cash      | \$ | 850                   |
| Demand Deposits |    | 436,815               |
| LAMP Deposits   |    | <u>1,354</u>          |
| Total           | \$ | <u><u>439,019</u></u> |

Demand deposits are stated at cost, which approximates market value. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or pledged securities owned by the fiscal agent bank. The market value of pledged securities plus federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The bank balance of \$437,665 at June 30, 2021. Of the bank balance, \$379,689 was covered by federal depository insurance and \$57,976 by pledged securities. The Town's policy does not address custodial credit risk.

**Investments**

At June 30, 2021, the Town has \$1,354 invested in the Louisiana Asset Management Pool reported as cash and cash equivalents. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

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

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2021

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

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

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

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

**Note 3 - Receivables**

Receivables as of June 30, 2021, are comprised of the following:

| Fund  | Sales<br>Tax | Franchise<br>Tax | Video<br>Poker | Accounts  | Total     |
|---|--------------|------------------|----------------|-----------|-----------|
| General Fund                                      | \$ 10,634    | \$ 7,915         | \$ 2,383       | \$ -      | \$ 20,932 |
| Utility Fund                                      | -            | -                | -              | 112,831   | 112,831   |
| Utility Fund - Allowance for<br>Doubtful Accounts | -            | -                | -              | (36,123)  | (36,123)  |
| Total   | \$ 10,634    | \$ 7,915         | \$ 2,383       | \$ 76,708 | \$ 97,640 |

**Note 4 - Internal Balances**

*Due from/to other funds:*

| Receivable Fund       | Amount     | Payable Fund | Amount     |
|-----------------------|------------|--------------|------------|
| General Fund          | \$ 290,884 | Utility Fund | \$ 290,884 |
| Nonmajor Governmental | 12,931     | Utility Fund | 12,931     |
| Total                 | \$ 303,815 |              | \$ 303,815 |

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2021

The Utility Fund bills and collects for trash and garbage services of the General Fund. At June 30, 2021, the Utility Fund owed the General Fund mainly for trash and garbage fees.

At this time management does not believe these loans will be repaid by June 30, 2022.

**Note 5 - Ad Valorem Taxes**

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

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

The ad valorem tax mileage is as follows:

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

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**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2021

**Note 6 - Changes in Capital Assets**

The changes in capital assets are as follows:

|   | Balance<br><u>6/30/2020</u> | Additions           | Deletions       | Balance<br><u>6/30/2021</u> |
|---|-----------------------------|---------------------|-----------------|-----------------------------|
| Governmental activities:                          |                             |                     |                 |                             |
| Nondepreciable assets:                            | \$ 32,120                   | \$ -                | \$ 3,310        | \$ 28,810                   |
| Land  | <u>32,120</u>               | <u>-</u>            | <u>3,310</u>    | <u>28,810</u>               |
| Depreciable assets:                               |                             |                     |                 |                             |
| Buildings   | 470,339                     | -                   | -               | 470,339                     |
| Furniture   | 97,551                      | -                   | -               | 97,551                      |
| Equipment   | <u>507,915</u>              | <u>-</u>            | <u>-</u>        | <u>507,915</u>              |
| Total depreciable capital assets                  | 1,075,805                   | -                   | -               | 1,075,805                   |
| Less accumulated depreciation:                    | <u>(931,808)</u>            | <u>(24,382)</u>     | <u>-</u>        | <u>(956,190)</u>            |
| Total depreciable capital assets, net             | <u>143,997</u>              | <u>(24,382)</u>     | <u>-</u>        | <u>119,615</u>              |
| Total governmental activities capital asset, net  | <u>\$ 176,117</u>           | <u>\$ (24,382)</u>  | <u>\$ 3,310</u> | <u>\$ 148,425</u>           |
| Business-type activities:                         |                             |                     |                 |                             |
| Nondepreciable assets:                            | \$ 7,886                    | \$ -                | \$ -            | \$ 7,886                    |
| Land  | <u>7,886</u>                | <u>-</u>            | <u>-</u>        | <u>7,886</u>                |
| Depreciable assets:                               |                             |                     |                 |                             |
| Water system                                      | 9,160,372                   | 32,618              | -               | 9,192,990                   |
| Water tower                                       | 543,776                     | -                   | -               | 543,776                     |
| Gas system  | 730,463                     | -                   | -               | 730,463                     |
| Sewer system                                      | 2,030,354                   | -                   | -               | 2,030,354                   |
| Service equipment                                 | 195,351                     | 4,600               | -               | 199,951                     |
| Office equipment                                  | 14,534                      | -                   | -               | 14,534                      |
| Wireless communication equipment                  | 1,419                       | -                   | -               | 1,419                       |
| Amphitheatre                                      | <u>335,948</u>              | <u>-</u>            | <u>-</u>        | <u>335,948</u>              |
| Total capital assets                              | 13,012,217                  | 37,218              | -               | 13,049,435                  |
| Less accumulated depreciation:                    | <u>(3,425,006)</u>          | <u>(310,065)</u>    | <u>-</u>        | <u>(3,735,071)</u>          |
| Total depreciable capital assets, net             | <u>9,587,211</u>            | <u>(272,847)</u>    | <u>-</u>        | <u>9,314,364</u>            |
| Total business-type activities capital asset, net | <u>\$ 9,595,097</u>         | <u>\$ (272,847)</u> | <u>\$ -</u>     | <u>\$ 9,322,250</u>         |

Depreciation of \$310,065 as of June 30, 2021, was charged to expense in the business-type activities: Utility Fund. Depreciation charged to governmental activities is as follows:

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2021

|                        |                  |
|------------------------|------------------|
| General government     | \$ 6,952         |
| Public safety          | 4,568            |
| Public works           | 7,984            |
| Culture and recreation | <u>4,878</u>     |
| Total                  | <u>\$ 24,382</u> |

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

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

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

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

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

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

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

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

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

## TOWN OF ST. JOSEPH, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

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

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

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

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

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

Contributions: According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2021, the actual employer contribution rate was 14% for Plan B. The actuarially determined rate is the rate calculated to provide employer contributions that, when combined with employee contributions, is expected to finance the cost of benefits earned by the employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. For the year ended June 30, 2021, employer contributions to the pension plan from the Town were \$5,160 (\$5,810 for governmental activities and \$-0-

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2021

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

Pension Liabilities: Pension Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension: At June 30, 2021, the Town reported liabilities of \$43,099 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2020, and the total pension liabilities used to calculate NPL were determined by actuarial valuations as of that date. The Town's proportions of the NPL were based on projections of the long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2020, the most recent measurement date, the Town's proportions and the changes in proportion from the prior measurement date were 0.047559 %, or a decrease of 0.024742%

Information on the actuarial valuation and assumptions is as follows:

|   |   |
|---|---|
| Valuation date  | June 30, 2020   |
| Actuarial cost method                                     | Entry age normal cost   |
| Expected remaining service                                | 3 years   |
| Investment rate of return                                 | 6.95%, net of pension plan investment expense, including inflation  |
| Inflation rate  | 2.50%   |
| Salary increase, including inflation and merit increases: |   |
| 1 to 4 years of service                                   | 6.4%-Plan A and 7.4%-Plan B   |
| More than 4 years of service                              | 4.5%-Plan A and 4.9%-Plan B   |
| Annuitant and beneficiary mortality                       | PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. |
| Employee mortality  | PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.        |
| Disabled lives mortality                                  | PubG-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales.                           |

Discount Rate: The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected return, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2021

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

For the year ended June 30, 2021, the Town recognized a total pension expense of \$3,309. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows | Deferred<br>Inflows |
|--|----------------------|---------------------|
| Difference between expected and actual experience  | \$ -                 | \$ 726              |
| Changes in assumptions   | 1,335                | 12,829              |
| Net difference between projected and actual earnings on pension plan investments                             | 4,679                | -                   |
| Changes in proportion and difference between employer contributions and proportionate share of contributions | -                    | -                   |
| Employer contributions subsequent to the measurement date  | 5,810                | -                   |
| Total  | \$ 11,824            | \$ 13,555           |

Deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the Town's NPL in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ending June 30: |            |
|----------------------|------------|
| 2021                 | \$ (4,319) |
| 2022                 | (4,972)    |
| 2023                 | 1,066      |
| 2024                 | 685        |
|                      | \$ (7,540) |

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation in the June 30, 2021, valuation, are summarized in the following table:

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2021

| <u>Asset Class</u>                 | <u>Target<br/>Asset Allocation</u> | <u>Long-term Expected<br/>Portfolio Real<br/>Rate of Return</u> |
|------------------------------------|------------------------------------|---|
| Public equity                      | 53%                                | 2.33%   |
| Public fixed income                | 38%                                | 1.67%   |
| Alternatives                       | 9%                                 | 0.40%   |
| Totals                             | 100%                               | 4.40%   |
| Inflation                          |                                    | 2.60%   |
| Expected arithmetic nominal return |                                    | 6.95%   |

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

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

|                       | 1% Decrease | Current  | 1% Increase |
|-----------------------|-------------|----------|-------------|
| Net Pension Liability | 5.95%       | 6.95%    | 7.95%       |
|                       | \$57,373    | \$43,099 | \$31,022    |

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

Payables to the Pension Plan: At June 30, 2021, the Town is payable to the System for the employee and employer legally required contributions was \$832.

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2021

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

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

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

**Note 9 - Long-Term Debt**

The following is a summary of long-term obligation transactions for the year ended June 30, 2021.

|                                 | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending<br/>Balance</u> | <u>Amounts<br/>Due Within<br/>One Year</u> |
|---------------------------------|------------------------------|------------------|------------------|---------------------------|--|
| <u>Governmental Activities</u>  |                              |                  |                  |                           |  |
| Net pension liability           | \$ 90,569                    | \$ -             | \$ 47,470        | \$ 43,099                 | \$ -                                       |
| <u>Business-type Activities</u> |                              |                  |                  |                           |  |
| Revenue bonds                   | 311,211                      | -                | 8,928            | 302,283                   | 9,223                                      |
| Net pension liability           | 40,312                       | -                | 40,312           | -                         | -  |
| Total Business-type Activities  | <u>351,523</u>               | <u>-</u>         | <u>49,240</u>    | <u>302,283</u>            | <u>9,223</u>                               |
| Long-term liabilities           | <u>\$ 442,092</u>            | <u>\$ -</u>      | <u>\$ 96,710</u> | <u>\$ 345,382</u>         | <u>\$ 9,223</u>                            |

Bonds payable at June 30, 2021, is comprised of the following issue:

Business-type Activities: Utilities Enterprise Fund

Revenue Bonds:

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

\$ 302,283

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

**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2021

| Fiscal Year<br>Ended June 30, | <u>Principal</u>  | <u>Interest</u>   | <u>Total</u>      |
|-------------------------------|-------------------|-------------------|-------------------|
| 2022                          | \$ 9,223          | \$ 9,964          | \$ 19,187         |
| 2023                          | 9,527             | 9,660             | 19,187            |
| 2024                          | 9,841             | 9,346             | 19,187            |
| 2025                          | 10,166            | 9,021             | 19,187            |
| 2026                          | 10,504            | 8,683             | 19,187            |
| 2027-2031                     | 57,936            | 38,000            | 95,936            |
| 2032-2036                     | 68,144            | 27,792            | 95,936            |
| 2027-2041                     | 80,150            | 15,786            | 95,936            |
| Thereafter                    | <u>46,792</u>     | <u>2,052</u>      | <u>48,844</u>     |
| Total                         | <u>\$ 302,283</u> | <u>\$ 130,304</u> | <u>\$ 432,587</u> |

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

The Town of Saint Joseph, Louisiana owns jointly with the Town of Newellton, Louisiana a gas pipeline, which transports natural gas to the Towns. The jointly owned line is operated independently of the Towns. The carrying value of the investment is recorded on the equity method. The annual net income is added to the investment and cash withdrawals, and net losses are deducted from the investment value. A summary of the statement of net position of the Towns of Newellton and Saint Joseph, Louisiana Jointly Owned Gas Line Operations and Maintenance Fund (Joint Line) as of June 30, 2021, is as follows:

|  |                        |
|--|------------------------|
| <b>Assets</b>                                |                        |
| Cash and cash equivalents                    | \$ 5,850               |
| Accounts receivable                          | <u>336</u>             |
| Total Assets                                 | <u><u>6,186</u></u>    |
| <br><b>Liabilities</b>                       |                        |
| Accounts payable and accrued expenses        | 9,058                  |
| Customer deposits                            | <u>162</u>             |
| Total Liabilities                            | <u><u>9,220</u></u>    |
| <b>Net Position (Deficit) - Unrestricted</b> | <u><u>(3,034)</u></u>  |
| Total Liabilities and Net Position           | <u><u>\$ 6,186</u></u> |

The Joint Line's net position decreased \$1,127 in the fiscal 2021 from the results of operations. The Joint Line issues a separate financial statement that can be obtained by contacting the Town of Newellton. The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Fund Net Position are included in this report as Exhibits 9 and 10.



**TOWN OF ST. JOSEPH, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
June 30, 2021

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

Accounts payable and accrued expense of \$62,133 as of June 30, 2021, are comprised of the following:

|                | <u>General Fund</u> | <u>Utility Fund</u> | <u>Total</u> |
|----------------|---------------------|---------------------|--------------|
| Vendor payable | \$ 14,865           | \$ 47,268           | \$ 62,133    |

**Note 12 - Risk Financing Activities**

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

**Note 13 – Contingencies and Commitments**

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

**Note 14 – Covid-19 Pandemic**

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of impact of the COVID-19 pandemic on the Town’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on its investments, customers, employees and vendors, all of which are uncertain and cannot be predicted or reasonably estimated at this time.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF ST. JOSEPH, LOUISIANA**

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2021**

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

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Exhibit 1<br/>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|-------------------------|-------------------|---|
| Revenues  |                            |                         |                   |   |
| Taxes   |                            |                         |                   |   |
| Ad valorem  | \$ 49,500                  | \$ 49,500               | \$ 44,745         | \$ (4,755)  |
| Sales and use                                     | 107,000                    | 107,000                 | 122,752           | 15,752  |
| Charges for services                              | 108,100                    | 108,100                 | 115,422           | 7,322   |
| Licenses, permits and commissions<br>for services | 93,400                     | 93,400                  | 113,228           | 19,828  |
| Intergovernmental revenues                        | 12,000                     | 12,000                  | 3,692             | (8,308)   |
| Fines and forfeitures                             | 675                        | 675                     | 1,725             | 1,050   |
| Use of money and property                         | 17,300                     | 17,300                  | 21,111            | 3,811   |
| Other revenues                                    | 14,227                     | 14,227                  | 56,532            | 42,305  |
| Total Revenues                                    | <u>402,202</u>             | <u>402,202</u>          | <u>479,207</u>    | <u>77,005</u>   |
| Expenditures                                      |                            |                         |                   |   |
| General government                                | 148,524                    | 148,524                 | 156,862           | (8,338)   |
| Public safety                                     | 103,875                    | 103,875                 | 49,606            | 54,269  |
| Public works                                      | 147,880                    | 147,880                 | 153,171           | (5,291)   |
| Culture and recreations                           | -                          | -                       | 4,224             | (4,224)   |
| Capital outlay                                    | -                          | -                       | -                 | -   |
| Total Expenditures                                | <u>400,279</u>             | <u>400,279</u>          | <u>363,863</u>    | <u>36,416</u>   |
| Excess of Revenues over Expenditures              | 1,923                      | 1,923                   | 115,344           | 113,421   |
| Other Financing Sources (Uses)                    |                            |                         |                   |   |
| Transfers   | -                          | -                       | -                 | -   |
| Net Change in Fund Balance                        | 1,923                      | 1,923                   | 115,344           | 113,421   |
| Budgetary Fund Balances, Beginning                | <u>343,167</u>             | <u>-</u>                | <u>343,167</u>    | <u>-</u>  |
| Budgetary Fund Balances, Ending                   | <u>\$ 345,090</u>          | <u>\$ 1,923</u>         | <u>\$ 458,511</u> | <u>\$ 113,421</u>   |

See independent auditors' report.

**TOWN OF ST. JOSEPH, LOUISIANA**

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
For the Year Ended June 30, 2021**

MERS

**Exhibit 2**

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

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

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

See independent auditors' report.

**TOWN OF ST. JOSEPH, LOUISIANA**

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
For the Year Ended June 30, 2021  
MERS**

**Exhibit 3**

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

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

See independent auditors' report.

**TOWN OF ST. JOSEPH, LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

For the Year Ended June 30, 2021

**Note A – General Budget Practices**

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

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

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

**Changes in Benefit Terms**

There were no changes in investment rate of return.

**Changes in Assumptions**

There were no changes in assumption for the fiscal year ended June 30, 2021.

## **SUPPLEMENTARY INFORMATION**

TOWN OF ST. JOSEPH, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET

June 30, 2021

Exhibit 4

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

See independent auditors' report.



TOWN OF ST. JOSEPH, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS

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

For the Year Ended June 30, 2021

Exhibit 5

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

See independent auditors' report.

TOWN OF ST. JOSEPH, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO ALDERMAN  
For the Year Ended June 30, 2021

Exhibit 6

| <u>Council Members:</u>                 | <u>Amount</u>       |
|---|---------------------|
| Theodore Jackson                        | 1,500               |
| John Lewis                              | 1,500               |
| Jerry Newman                            | 1,500               |
| Carl Olds, Jr.                          | 1,500               |
| LaPeteria Watson                        | <u>1,500</u>        |
| <br>Total Council Members' Compensation | <br><u>\$ 7,500</u> |

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

See independent auditors' report.

**TOWN OF ST. JOSEPH, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD  
For the Year Ended June 30, 2021**

**Exhibit 7**

**Agency Head Name: Mayor Elvadás Fields, Jr.**

| <u>Purpose</u>  | <u>Amount</u>   |
|---|-----------------|
| Salary  | \$ 9,000        |
| Benefits - Social Security and Medicare                         | 689             |
| Reimbursement - Materials and Supplies                          | <u>176</u>      |
| Total Compensation, Benefits, and Other Payments to Agency Head | <u>\$ 9,865</u> |

**Agency Head Name: Mayor Matthew Alexander**

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

See independent auditors' report.

TOWN OF ST. JOSEPH, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY  
Year Ended June 30, 2021

Exhibit 8

| Cash Basis Presentation  | First Six Month<br>Period Ended<br>12/31/2020 | Second Six Month<br>Period Ended<br>06/30/2021 |
|--|---|--|
| <b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>                                    | \$ -  | \$ 1,725                                       |
| <b>Add: Collections</b>  |   |  |
| Criminal Fines - Other   | 1,725   | -  |
| <b>Subtotal Collections</b>  | <u>1,725</u>                                  | <u>-</u>                                       |
| <b>Less: Disbursements to Individuals/3rd Party<br/>Collection or Processing Agencies</b>            | -   | -  |
| Restitution Payments to Individuals (additional detail is<br>not required)                           | -   | -  |
| <b>Subtotal Disbursements/Retainage</b>  | <u>-</u>                                      | <u>-</u>                                       |
| <b>Total: Ending Balance of Amounts Collected but not<br/>Disbursed/Retained (i.e. cash on hand)</b> | <u>\$ 1,725</u>                               | <u>\$ 1,725</u>                                |

**Other Information:**

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

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

## **OTHER INFORMATION**

TOWN OF ST. JOSEPH, LOUISIANA

TOWNS OF NEWELTON AND ST. JOSEPH  
JOINTLY OWNED GAS LINE OPERATION AND MAINTENANCE FUND  
STATEMENT OF NET POSITION

June 30, 2021  
UNAUDITED

Exhibit 9

|                                       |                 |
|---------------------------------------|-----------------|
| Assets:                               |                 |
| Cash and cash equivalents             | \$ 5,850        |
| Accounts receivable                   | <u>336</u>      |
| Total assets                          | <u>6,186</u>    |
| Liabilities and Net Position:         |                 |
| Accounts payable and accrued expenses | 9,058           |
| Customer deposits                     | <u>162</u>      |
| Total liabilities                     | <u>9,220</u>    |
| Net Position:                         |                 |
| Unrestricted                          | <u>(3,034)</u>  |
| Total Net Position                    | <u>(3,034)</u>  |
| Total Liabilities and Net Position    | <u>\$ 6,186</u> |

See independent auditors' report

TOWN OF ST. JOSEPH, LOUISIANA

TOWNS OF NEWELTON AND ST. JOSEPH  
JOINTLY OWNED GAS LINE OPERATION AND MAINTENANCE FUND  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
For the Year Ended June 30, 2021  
UNAUDITED

|                             | <u>Exhibit 10</u>     |
|-----------------------------|-----------------------|
| Operating Revenues          |                       |
| Changes for services        | \$ 8,289              |
| Other revenues              | 7,295                 |
| Total Operating Revenues    | <u>15,584</u>         |
| <br>Operating Expenses      | <br>9,500             |
| Salaries and wages          | 1,090                 |
| Payroll taxes               | 550                   |
| Professional fees           | 1,253                 |
| Repair and maintenance      | 1,618                 |
| Other                       | <u>445</u>            |
| <br>Total expenses          | <br><u>14,456</u>     |
| <br>Operating income (loss) | <br><u>1,128</u>      |
| <br>Change in net position  | <br>1,128             |
| <br>Net position, beginning | <br><u>(4,162)</u>    |
| <br>Net position, ending    | <br><u>\$ (3,034)</u> |

See independent auditors' report

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





# J. WALKER & COMPANY<sub>APC</sub>

— ACCOUNTANTS AND ADVISORS —

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

To the Honorable Mayor and Members of the Town Council  
Town of St. Joseph, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of St. Joseph, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of St. Joseph, Louisiana's basic financial statements, and have issued our report thereon dated December 28, 2021.

### Internal Control over Financial Reporting

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

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

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

#### OFFICES:

949 RYAN ST. STE. 100  
LAKE CHARLES  
LOUISIANA 70601  
{O} 337-478-7902  
{F} 337-478-3345

#### MEMBER OF:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
---  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*J. Walker & Company, APC*

Lake Charles, Louisiana

December 28, 2021



**TOWN OF ST. JOSEPH, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**

For the Year Ended June 30, 2021

**I. Summary of Auditors' Results**

a. Financial Statements

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

b. Federal Awards

N/A

c. Management Letter

No management letter was issued in connection with the audit for the year ended June 30, 2021.

**TOWN OF ST. JOSEPH, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**

For the Year Ended June 30, 2021

**II. Financial statements Findings**

There were no current year findings.

**TOWN OF ST. JOSEPH, LOUISIANA**

**SUMMARY OF PRIOR YEAR FINDINGS**

For the Year Ended June 30, 2021

**III. Summary of Prior Year Findings**

There were no prior year findings.