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**TOWN OF ST. JOSEPH, LOUISIANA**

**General Purpose Financial Statements  
With Independent Auditors' Report  
As of and for the Year Ended June 30, 2000  
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10-25-00

**TOWN OF ST. JOSEPH, LOUISIANA**

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**SECTION I – GENERAL PURPOSE FINANCIAL STATEMENTS**

# SWITZER, HOPKINS & MANGE

Certified Public Accountants

DENNIS R. SWITZER, CPA  
H. MYLES HOPKINS, CPA  
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JOHN M. JONES, CPA 1921 - 1983

## INDEPENDENT AUDITORS' REPORT

**Honorable Whitfield Jones, Mayor  
and Members of the Board of Aldermen  
Town of St. Joseph, Louisiana**

We have audited the accompanying general purpose financial statements of the Town of St. Joseph, Louisiana, as of June 30, 2000 and for the year then ended as listed in the table of contents. These general purpose financial statements are the responsibility of Town of St. Joseph, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Town of St. Joseph, Louisiana, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2000 on our consideration of the Town of Ferriday, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

Honorable Whitfield Jones, Mayor  
and Members of the Board of Aldermen  
Page Two

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Ferriday, Louisiana  
September 15, 2000

*Switzer, Hopkins & Manger*

TOWN OF ST. JOSEPH, LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2000

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Type</u>		<u>Account Groups</u>			<u>Totals</u> (Memorandum Only) <u>2000</u> <u>1999</u>
	<u>General</u>	<u>Debt Service</u>	<u>Enterprise</u>	<u>General Fixed Assets</u>	<u>Long-Term Debt</u>	<u>2000</u>	<u>1999</u>	
<b><u>ASSETS AND OTHER DEBITS</u></b>								
Cash	\$ 196,903	\$ -	\$ 252,380	\$ -	\$ -	\$ 449,283	\$ 449,189	
Certificate of deposit	-	35,273	184,043	-	-	219,316	146,879	
Receivables, (net, of allowance for uncollectables) -								
Utility customers (Note 1)	923	-	32,620	-	-	33,543	22,161	
Others	-	-	3,425	-	-	3,425	2,621	
Restricted assets (Note 1):								
Cash	-	-	21,374	-	-	21,374	49,014	
General fixed assets	-	-	-	1,034,921	-	1,034,921	934,196	
Utility plant and equipment (Note 3)	-	-	3,363,765	-	-	3,363,765	3,363,765	
Accumulated Depreciation (Note 3)	-	-	(1,853,943)	-	-	(1,853,943)	(1,760,928)	
Investment in jointly owned gas line (Note 8)	-	-	48,477	-	-	48,477	65,403	
Amount available in debt service fund	-	-	-	-	35,273	35,273	-	
Amount to be provided for retirement of general long-term debt	-	-	-	-	39,270	39,270	81,112	
<b>Total assets</b>	<b>\$ 197,826</b>	<b>\$ 35,273</b>	<b>\$ 2,052,141</b>	<b>\$ 1,034,921</b>	<b>\$ 74,543</b>	<b>\$ 3,394,704</b>	<b>\$ 3,353,412</b>	

The following notes are an integral part of these financial statements.

TOWN OF ST. JOSEPH, LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2000

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Type</u>	<u>Account Groups</u>			<u>Totals</u> (Memorandum Only) 2000      1999
	<u>General</u>	<u>Debt Service</u>		<u>General</u>	<u>Fixed Assets</u>	<u>Long-Term Debt</u>	
<b>LIABILITIES, EQUITY AND AND OTHER CREDITS</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 5,106	\$ -	\$ 10,228	\$ -	\$ -	\$ 15,334	\$ 16,156
Accrued payroll	3,291	-	4,044	-	-	7,335	7,825
Note payable	-	-	-	-	74,543	74,543	81,112
Payable from restricted assets:							
Customers' deposits	-	-	51,399	-	-	51,399	49,014
<b>Total Liabilities</b>	<b>8,397</b>	<b>-</b>	<b>65,671</b>	<b>-</b>	<b>74,543</b>	<b>148,611</b>	<b>154,107</b>
<b>Fund Equity:</b>							
Contributed capital	-	-	2,565,985	-	-	2,565,985	2,565,985
Investment in general fixed assets	-	-	-	1,034,921	-	1,034,921	934,196
Retained earnings -							
Unreserved (deficit)	-	-	(579,515)	-	-	(579,515)	(484,293)
Fund balances -							
Reserved for debt service	-	35,273	-	-	-	35,273	-
Unreserved -							
Undesignated	189,429	-	-	-	-	189,429	183,417
<b>Total fund equity</b>	<b>189,429</b>	<b>35,273</b>	<b>1,986,470</b>	<b>1,034,921</b>	<b>-</b>	<b>3,246,093</b>	<b>3,199,305</b>
<b>Total liabilities and fund equity</b>	<b>\$ 197,826</b>	<b>\$ 35,273</b>	<b>\$ 2,052,141</b>	<b>\$ 1,034,921</b>	<b>\$ 74,543</b>	<b>\$ 3,394,704</b>	<b>\$ 3,353,412</b>

The following notes are an integral part of these financial statements.



**TOWN OF ST. JOSEPH, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	<u>General</u>	<u>Debt Service</u>	<u>Totals</u> (Memorandum Only)	
			<u>2000</u>	<u>1999</u>
<b>Revenues:</b>				
Taxes	\$ 135,778	\$ -	\$ 135,778	\$ 140,843
Licenses and permits	46,022	-	46,022	48,046
Intergovernmental	19,655	-	19,655	27,870
Fines	615	-	615	900
Garbage fees	49,665	-	49,665	49,897
Miscellaneous	89,846	48,034	137,880	49,920
<b>Total revenues</b>	<u>341,581</u>	<u>48,034</u>	<u>389,615</u>	<u>317,476</u>
<b>Expenditures:</b>				
<b>Current -</b>				
General government	91,048	-	91,048	64,323
Streets and sanitation	67,947	-	67,947	64,841
<b>Public safety -</b>				
Police	70,506	-	70,506	67,005
Fire	12,054	-	12,054	11,679
Capital outlay	100,726	-	100,726	42,468
Principal retirement	-	6,465	6,465	6,086
Interest paid	-	6,569	6,569	6,948
<b>Total expenditures</b>	<u>342,281</u>	<u>13,034</u>	<u>355,315</u>	<u>263,350</u>
<b>Excess of revenues over expenditures</b>	(700)	35,000	34,300	54,126
<b>Other financing sources:</b>				
Interest income	-	273	273	-
Operating transfers in (out)	6,712	-	6,712	(95,000)
<b>Total other financing sources</b>	<u>6,712</u>	<u>273</u>	<u>6,985</u>	<u>(95,000)</u>
<b>Excess of revenues and other sources over expenditures and other uses</b>	6,012	35,273	41,285	(40,874)
<b>Fund balance, beginning</b>	<u>183,417</u>	-	<u>183,417</u>	<u>224,291</u>
<b>Fund balances, ending</b>	<u>\$ 189,429</u>	<u>\$ 35,273</u>	<u>\$ 224,702</u>	<u>\$ 183,417</u>

The following notes are an integral part of these financial statements.

**TOWN OF ST. JOSEPH, LOUISIANA**  
**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2000**

	<b>-----2000-----</b>			<b>(Memorandum)</b>
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b>Variance - Favorable (Unfavorable)</b>	<b>Only) 1999 <u>Actual</u></b>
<b>Revenues:</b>				
Taxes	\$ 127,600	\$ 135,778	\$ 8,178	\$ 133,813
Licenses and permits	45,100	46,022	922	48,046
Intergovernmental	15,200	19,655	4,455	27,870
Fines	1,200	615	(585)	900
Garbage fees	33,000	49,665	16,665	56,927
Miscellaneous	36,900	89,846	52,946	36,886
<b>Total revenues</b>	<b>259,000</b>	<b>341,581</b>	<b>82,581</b>	<b>304,442</b>
<b>Expenditures:</b>				
General government	87,900	91,048	(3,148)	64,323
Streets and sanitation	60,800	67,947	(7,147)	64,841
Public safety -				
Police	63,700	70,506	(6,806)	67,005
Fire	15,600	12,054	3,546	11,679
Capital outlay	100,726	100,726	-	42,468
<b>Total expenditures</b>	<b>328,726</b>	<b>342,281</b>	<b>(13,555)</b>	<b>250,316</b>
<b>Excess of revenues over expenditures</b>	<b>(69,726)</b>	<b>(700)</b>	<b>69,026</b>	<b>54,126</b>
<b>Other financing sources:</b>				
Operating transfers in (out)	-	6,712	6,712	(95,000)
<b>Excess of revenues and other sources over expenditures</b>	<b>(69,726)</b>	<b>6,012</b>	<b>75,738</b>	<b>(40,874)</b>
<b>Fund balance, beginning</b>	<b>183,417</b>	<b>183,417</b>	<b>-</b>	<b>224,291</b>
<b>Fund balances, ending</b>	<b>\$ 113,691</b>	<b>\$ 189,429</b>	<b>\$ 75,738</b>	<b>\$ 183,417</b>

The following notes are an integral part of these financial statements.

**TOWN OF ST. JOSEPH, LOUISIANA**  
**ENTERPRISE FUND**  
**UTILITY FUND**

**COMPARATIVE STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS PROPRIETARY FUND TYPE**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	<u>2000</u>	(Memorandum Only) <u>1999</u>
<b>Operating revenues:</b>		
<b>Charges for services:</b>		
Gas sales	\$ 200,120	\$ 185,472
Water sales	111,523	137,931
Sewer sales	19,060	19,224
Delinquent charges	50,102	7,246
Miscellaneous revenues	7,124	7,642
<b>Total operating revenues</b>	<u>387,929</u>	<u>357,515</u>
 <b>Operating expenses:</b>		
Gas department expenses	213,344	207,608
Water department expenses	103,150	112,908
Sewer department expenses	6,866	13,147
General and administrative expenses	205,512	194,749
<b>Total operating expenses</b>	<u>528,872</u>	<u>528,412</u>
 <b>Operating (loss)</b>	<u>(140,943)</u>	<u>(170,897)</u>
 <b>Nonoperating revenues:</b>		
State grant	25,000	-
Income from jointly owned gas line	9,074	13,226
Interest earned	18,360	22,370
<b>Total nonoperating revenue</b>	<u>52,434</u>	<u>35,596</u>
 <b>(Loss) before operating transfers</b>	<u>(88,509)</u>	<u>(135,301)</u>
 <b>Operating transfers:</b>		
Transfers from general fund	<u>(6,712)</u>	<u>95,000</u>
 <b>Net (loss)</b>	<u>(95,221)</u>	<u>(40,301)</u>
 <b>Retained earnings, beginning (deficit)</b>	<u>(484,293)</u>	<u>(443,992)</u>
 <b>Retained earnings, ending (deficit)</b>	<u>\$ (579,514)</u>	<u>\$ (484,293)</u>

The following notes are an integral part of these financial statements.

**TOWN OF ST. JOSEPH, LOUISIANA**  
**ENTERPRISE FUND**  
**UTILITY FUND**

**COMPARATIVE STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	<b>2000</b>	<b>(Memorandum Only) 1999</b>
<b><u>Cash flows from operating activities:</u></b>		
Cash received from customers	\$ 376,547	\$ 354,991
Cash paid to suppliers for goods and services	(332,205)	(331,043)
Cash payments to employees for services	(104,928)	(102,162)
Net cash provided by operating activities	<u>(60,586)</u>	<u>(78,214)</u>
<b><u>Cash flows from non-capital financing activities:</u></b>		
Operating transfers from general fund	(6,712)	95,000
Increase in customer deposits	2,385	4,056
State grant	25,000	-
Net cash provided by non-capital financing activities	<u>20,673</u>	<u>99,056</u>
<b><u>Cash flows from capital and related financing activities</u></b>		
Acquisition of capital assets	-	<u>(25,473)</u>
<b><u>Cash flows from investing activities</u></b>		
Joint gas line income	26,000	-
Interest received	17,556	22,077
	<u>43,556</u>	<u>22,077</u>
Net increase (decrease) in cash	3,643	17,446
Cash at beginning of year	<u>454,154</u>	<u>436,708</u>
Cash at end of year	<u><u>\$ 457,797</u></u>	<u><u>\$ 454,154</u></u>
<b>Reconciliation of operating loss to cash provided by operating activities:</b>		
Operating (loss)	(140,943)	(170,897)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	93,014	93,014
Increase in:		
Accounts receivable	(11,382)	(2,524)
Increase (decrease) in:		
Accounts payable	(1,242)	2,225
Accrued payroll	(33)	(32)
Net cash provided by operating activities	<u><u>\$ (60,586)</u></u>	<u><u>\$ (78,214)</u></u>

The following notes are an integral part of these financial statements.

**TOWN OF ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

**INTRODUCTION**

1. The Town of St. Joseph, Louisiana was incorporated under provisions of the Lawrason Act as a Village in 1901.
2. The purpose of the municipality is to provide utility services, public safety (police and fire), streets, sanitation and general administrative services.
3. The Board of Aldermen consists of five elective members and they are paid \$125 per month.
4. The Town is located in the eastern central portion of Tensas Parish, Louisiana. Tensas Parish is located in Northeast Louisiana.
5. The population of St. Joseph, Louisiana is approximately 1,579 persons.
6. The Town of St. Joseph, Louisiana has ten full time employees and two part time employees.
7. The Town of St. Joseph, Louisiana has approximately 700 utility customers.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the Town of St. Joseph, Louisiana have been prepared in conformity with generally accepted accounting principles (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.

**B. REPORTING ENTITY**

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



**TOWN OF ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- CONTINUED**

**GASB Statement No. 14 established criteria for determining which component units should be considered part of the Town of St. Joseph, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:**

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

**As required by generally accepted accounting principles, these financial statements present the Town of St. Joseph, Louisiana (the primary government) and its component units. There are no component units included in the accompanying financial statements as either blended with the municipality funds or discretely presented.**

**C. FUND ACCOUNTING**

**The municipality uses funds and account groups 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 relating to certain government functions or activities.**

**A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.**

**Funds of the municipality are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:**

**TOWN OF ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- CONTINUED**

**Governmental Funds**

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long term debt. Governmental funds include:

1. **General Fund**—the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.
2. **Debt Service funds**—account for transactions relating to resources retained and used for the payment of principal and interest on those long term obligations recorded in the general long term obligations account group.

**Proprietary Funds**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

1. **Enterprise funds**—account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed 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 appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**General Fixed Assets and Long Term Debt**

The accounting and reporting treatment applied to the property, plant and equipment and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

**TOWN OF ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The Town has elected to not capitalize public domain (“infrastructure”) fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks and drainage improvements. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

Depreciation of all exhaustible fixed assets used in the proprietary fund is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method as follows:

Gas lines	40 years
Water lines and plant	30 to 40 years
Sewer lines	40 years
Vehicles and equipment	3 to 10 years

All fixed assets are stated a historical cost.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts and sales taxes are considered “measurable” when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.



**TOWN OF ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when earned and their expenses are recognized when incurred. Bad debts are recognized when they become uncollectable.

**E. BUDGETS AND BUDGETARY ACCOUNTING**

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

1. The Town prepares a proposed budget and submits it to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year. The Town approves a budget for the general fund only.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer to 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.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

**F. INVENTORIES**

Inventories of material and supplies are valued at lower of cost or market.

**TOWN OF ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**G. ALLOWANCE FOR UNCOLLECTABLE ACCOUNTS**

Allowance for uncollectable accounts receivable at June 30, 2000 is \$2,500.

**H. RESTRICTED ASSETS**

Certain assets of the Town of St. Joseph, Louisiana have been restricted for customers' deposits and these assets total \$51,399.

**I. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW**

Total columns on the combined statements -- overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**J. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**K. FUND EQUITY**

**Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

**NOTE 2 – CHANGES IN GENERAL FIXED ASSETS ACCOUNT GROUP**

A summary of changes in general fixed assets follows:

**TOWN OF ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 2 – CHANGES IN GENERAL FIXED ASSETS ACCOUNT GROUP – CONTINUED**

	<u>Balance</u> <u>July 1,</u> <u>1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>July 30,</u> <u>2000</u>
Land	\$ 65,605	\$ -	\$ -	\$ 65,605
Buildings	410,552	-	-	410,552
Other improvements	158,074	-	-	158,074
Equipment	299,965	100,725	-	400,690
<b>TOTAL</b>	<u>\$ 934,196</u>	<u>\$ 100,725</u>	<u>\$ -</u>	<u>\$ 1,034,921</u>

**NOTE 3 – PROPRIETARY FUND PROPERTY, PLANT AND EQUIPMENT**

A summary of proprietary fund's plant and equipment at June 30, 2000 follows:

Gas system	\$ 730,463
Water system	1,381,929
Sewer system	1,113,633
Vehicles and equipment	119,505
Office equipment	10,349
Land	7,886
<b>Total</b>	<u>3,363,765</u>
Less: accumulated depreciation	1,853,943
<b>Net</b>	<u>\$ 1,509,822</u>

**NOTE 4 – AD VALOREM TAXES**

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 and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1, of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

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

For the year ended June 30, 2000 taxes of 6.57 mills were levied on property with assessed valuations totaling \$3,620,989 and were dedicated to general corporate purposes.

Total taxes levied were \$23,790.

**TOWN OF ST. JOSEPH, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 5 – PENSION PLAN**

Substantially all employees of the Town of St. Joseph are members of the Municipal Employees Retirement System of Louisiana, a multiple employer, public employee retirement system controlled and administered by a separate board of trustees.

All full time employees are members of the system. Employer contributions were 3.75% of actual payroll during the year ended June 30, 2000 and employees' contributions were 5% of payroll. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of St. Joseph does not guarantee the pension benefits.

The town contributed \$8,120 during the year and employees contributed \$7,022.

**NOTE 6 – CASH AND CASH EQUIVALENTS**

Under state law, the city may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 2000, the town had cash and cash equivalents according to the bank's balances totaling \$699,090 as follows:

Demand deposits	\$ 515,047
Time deposits	184,043
Total	<u>\$ 699,090</u>

Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2000 are secured as follows:

Federal deposits insurance	\$ 300,000
Pledged securities	399,090
Total	<u>\$ 699,090</u>

**NOTE 7 -- OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

The Town does not accrue unpaid vacation pay or sick pay in its financial statements. The Town's policy concerning compensation for unpaid vacation pay is that upon termination of an employee, vacation days not previously used by the employee are not reimbursed. The policy concerning sick pay is that each case is considered on a case by case basis.



**TOWN OF ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 8 – OTHER INVESTMENTS – ENTERPRISE FUND**

The Town of St. 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 at the equity value of the investment. The annual net income is added to the investment and cash withdrawals and net losses are deducted from the investment value.

**TOWNS OF ST. JOSEPH AND NEWELLTON, LOUISIANA  
Jointly Owned Gas Pipe Line  
Balance Sheet  
June 30, 2000**

**ASSETS**

Cash	\$ 134,594
Accounts receivable	<u>9,773</u>
Total assets	<u><u>144,367</u></u>

**LIABILITIES AND TOWNS' EQUITY**

Accounts payable	\$ <u>47,412</u>
Towns equity	
Town of Newellton, Louisiana	48,478
Town of St. Joseph, Louisiana	<u>48,477</u>
Total towns' equity	<u><u>96,955</u></u>
 Total liabilities and towns equity	 <u><u>\$ 144,367</u></u>

Audited financial statements of this joint venture are available at the Town of St. Joseph, Louisiana's City Hall.

**NOTE 9 – CHANGES IN LONG-TERM DEBT**

The following is a summary of note transactions of the Town of St. Joseph for the year ended June 30, 2000:

Note payable at June 30, 1999	\$ 81,112
Principal retired	<u>6,569</u>
Note payable at June 30, 2000	<u><u>\$ 74,543</u></u>

**TOWN OF ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 9 – CHANGES IN LONG-TERM DEBT- CONTINUED**

The note payable consisted of a note to a commercial bank for the payment of a loan on a medical office. The liability is a \$140,000 note at 8% payable in quarterly installments of \$3,259.

The annual requirements to amortize the debt outstanding as of June 30, 2000 is as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2001	\$ 7,069	\$ 5,965	\$ 13,034
June 30, 2002	7,634	5,400	13,034
June 30, 2003	8,245	4,789	13,034
June 30, 2004	8,905	4,129	13,034
June 30, 2005	9,617	3,417	13,034
Thereafter	33,085	5,385	38,470
<b>Total</b>	<b><u><u>\$ 74,555</u></u></b>	<b><u><u>\$ 29,085</u></u></b>	<b><u><u>\$ 103,640</u></u></b>

**NOTE 10 – SUMMARY OF GRANT REVENUES**

Funding from the following Federal and State grants were received during the year ended June 30, 2000:

<u>Funding Source and Program</u>	<u>CFDA NUMBER</u>	<u>REVENUE AMOUNT</u>
<b>Federal:</b>		
Federal Emergency Management Agency	83.505	<u><u>\$ 5,000</u></u>
<b>State:</b>		
Rural Development Grant		<u><u>\$ 25,000</u></u>

**SECTION II – SUPPLEMENTAL INFORMATION SCHEDULES**

**GENERAL FUND**

**To account for resources traditionally associated with governments that are not required to be accounted for in another fund.**



**TOWN OF ST. JOSEPH, LOUISIANA**  
**GENERAL FUND**

**BALANCE SHEET**  
**YEAR ENDED JUNE 30, 2000**

<b><u>ASSETS</u></b>	<b><u>2000</u></b>	<b>(Memorandum Only) <u>1999</u></b>
Cash	\$ 196,903	\$ 190,928
Receivables - garbage fees	923	923
Total assets	197,826	191,851
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
<b>Liabilities:</b>		
Accounts payable	5,106	4,995
Accrued payroll	3,291	3,439
Total liabilities	8,397	8,434
Fund balance-unreserved	189,429	183,417
Total liabilities and fund balance	\$ 197,826	\$ 191,851

The following notes are an integral part of these financial statements.

**TOWN OF ST. JOSEPH, LOUISIANA**  
**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2000**

	<u>2000</u>			(Memorandum)
	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)	Only) 1999 Actual
<b>Revenues:</b>				
<b>Taxes</b>				
Ad valorem	\$ 22,000	\$ 23,015	\$ 1,015	\$ 22,550
Sales taxes	80,000	78,892	(1,108)	80,961
Vidco poker	2,600	5,456	2,856	4,006
Franchise	23,000	28,415	5,415	26,296
<b>Total taxes</b>	<u>127,600</u>	<u>135,778</u>	<u>8,178</u>	<u>133,813</u>
Intergovernmental	15,200	19,655	4,455	27,870
Licenses and permits	45,100	46,022	922	48,046
Fines	1,200	615	(585)	900
Garbage fees	33,000	49,665	16,665	56,927
Miscellaneous	36,900	89,846	52,946	36,886
<b>Total revenues</b>	<u>259,000</u>	<u>341,581</u>	<u>82,581</u>	<u>304,442</u>
<b>Expenditures:</b>				
General government	188,626	191,774	(3,148)	106,791
Street and sanitation	60,800	67,947	(7,147)	64,841
Public safety -			-	
Police	63,700	70,506	(6,806)	67,005
Fire	15,600	12,054	3,546	11,679
<b>Total expenditures</b>	<u>328,726</u>	<u>342,281</u>	<u>(13,555)</u>	<u>250,316</u>
<b>Excess of revenues over expenditures</b>	<b>(69,726)</b>	<b>(700)</b>	<b>69,026</b>	<b>54,126</b>
<b>Other financing sources:</b>				
Operating transfers in (out)	-	6,712	6,712	(95,000)
<b>Excess of revenues and other sources over expenditures</b>	<b>(69,726)</b>	<b>6,012</b>	<b>75,738</b>	<b>(40,874)</b>
<b>Fund balance, beginning</b>	<u>183,417</u>	<u>183,417</u>	-	<u>224,291</u>
<b>Fund balance, ending</b>	<u>\$ 113,691</u>	<u>\$ 189,429</u>	<u>\$ 75,738</u>	<u>\$ 183,417</u>

The following notes are an integral part of these financial statements.

**TOWN OF ST. JOSEPH, LOUISIANA**  
**GENERAL FUND**

**STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)**  
**YEAR ENDED JUNE 30, 2000**

	<u>2000</u>			(Memorandum)
	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)	Only) 1999 <u>Actual</u>
<b>General government</b>				
Aldermen fees	\$ 7,500	\$ 7,500	\$ -	\$ 7,500
Community house	2,400	11,770	(9,370)	4,687
Insurance	30,100	31,478	(1,378)	34,655
Office expense	3,000	8,666	(5,666)	3,393
Payroll taxes and retirement	8,400	10,230	(1,830)	9,922
Miscellaneous	16,500	21,404	(4,904)	4,166
Capital outlay	120,726	100,726	20,000	42,468
<b>Total general government</b>	<u>188,626</u>	<u>191,774</u>	<u>(3,148)</u>	<u>106,791</u>
<b>Streets and Sanitation</b>				
Salaries	27,000	28,393	(1,393)	26,737
Supplies	2,800	4,670	(1,870)	4,953
Garbage fuel	1,000	2,078	(1,078)	-
Repairs	5,000	6,740	(1,740)	6,380
Utilities	19,000	19,411	(411)	16,707
Other	6,000	6,655	(655)	10,064
<b>Total streets and sanitation</b>	<u>60,800</u>	<u>67,947</u>	<u>(7,147)</u>	<u>64,841</u>
<b>Public safety - police</b>				
Salaries	50,000	45,664	4,336	53,080
Gas and oil	3,500	4,896	(1,396)	2,465
Repairs	4,000	8,038	(4,038)	873
Miscellaneous	6,200	11,908	(5,708)	10,587
<b>Total public safety - police</b>	<u>63,700</u>	<u>70,506</u>	<u>(6,806)</u>	<u>67,005</u>
<b>Public safety - fire</b>				
Salaries	-	484	(484)	-
Repairs	3,400	2,832	568	-
Truck expenses	1,100	585	515	4,205
Telephone	1,300	1,722	(422)	1,207
Utilities	1,300	2,349	(1,049)	1,251
Supplies	8,500	4,082	4,418	5,016
<b>Total public safety - fire</b>	<u>15,600</u>	<u>12,054</u>	<u>3,546</u>	<u>11,679</u>
<b>Total expenditures</b>	<u>\$ 328,726</u>	<u>\$ 342,281</u>	<u>\$ (13,555)</u>	<u>\$ 250,316</u>

The following notes are an integral part of these financial statements.

## **ENTERPRISE FUND**

**Utility Fund -- To account for the provision of water, gas, sewer and sanitation services to residents of the Town and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, maintenance, financing and related debt service, and billings and collections.**

TOWN OF ST. JOSEPH, LOUISIANA  
ENTERPRISE FUND  
UTILITY FUND

COMPARATIVE BALANCE SHEET  
 JUNE 30, 2000

	2000	(Memorandum Only) 1999	(Memorandum Only) 1999
<u>ASSETS</u>			
Current assets:			
Cash	\$ 252,380	\$ 258,261	
Certificate of deposit	184,043	146,879	
Accounts receivable:			
Customers-net of allowance for uncollectables	32,620	21,238	
Others	3,425	2,621	
Total current assets	<u>472,468</u>	<u>428,999</u>	
Restricted assets:			
Consumer deposits-cash	<u>21,374</u>	<u>49,014</u>	
Plant & equipment at cost, net of accumulated depreciation (2000 \$1,853,942, 1999 - \$1,760,928)	<u>1,509,822</u>	<u>1,602,837</u>	
Other assets:			
Investment in gas pipe line jointly with Town of Newellton, Louisiana recorded at equity value	<u>48,477</u>	<u>65,403</u>	
Total assets	<u>\$ 2,052,141</u>	<u>\$ 2,146,253</u>	
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Current liabilities			
Accounts payable	\$ 10,228	\$ 11,161	
Accrued payroll	<u>4,044</u>	<u>4,386</u>	
Total current liabilities (payable from current assets)	<u>14,272</u>	<u>15,547</u>	
Current liabilities (payable from restricted assets)			
Customer deposits	<u>51,399</u>	<u>49,014</u>	
Total liabilities	<u>65,671</u>	<u>64,561</u>	
Fund equity:			
Contributed capital	2,565,985	2,565,985	
Retained earnings - Unreserved (deficit)	<u>(579,515)</u>	<u>(484,293)</u>	
Total fund equity	<u>1,986,470</u>	<u>2,081,692</u>	
Total liabilities and fund equity	<u>\$ 2,052,141</u>	<u>\$ 2,146,253</u>	

The following notes are an integral part of these financial statements.

**TOWN OF ST. JOSEPH, LOUISIANA**  
**ENTERPRISE FUND**  
**UTILITY FUND**

**COMPARATIVE STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS PROPRIETARY FUND TYPE**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	<u>2000</u>	(Memorandum Only) <u>1999</u>
<b>Operating revenues:</b>		
<b>Charges for services:</b>		
Gas sales	\$ 200,120	\$ 185,472
Water sales	111,523	137,931
Sewer sales	19,060	19,224
Delinquent charges	50,102	7,246
Miscellaneous revenues	7,124	7,642
<b>Total operating revenues</b>	<u>387,929</u>	<u>357,515</u>
<b>Operating expenses:</b>		
Gas department expenses	213,344	207,608
Water department expenses	103,150	112,908
Sewer department expenses	6,866	13,147
General and administrative expenses	205,512	194,749
<b>Total operating expenses</b>	<u>528,872</u>	<u>528,412</u>
<b>Operating (loss)</b>	<u>(140,943)</u>	<u>(170,897)</u>
<b>Nonoperating revenues:</b>		
State grant	25,000	-
Income from jointly owned gas line	9,074	13,226
Interest earned	18,360	22,370
<b>Total nonoperating revenue</b>	<u>52,434</u>	<u>35,596</u>
<b>(Loss) before operating transfers</b>	<u>(88,509)</u>	<u>(135,301)</u>
<b>Operating transfers:</b>		
Transfers from general fund	<u>(6,712)</u>	<u>95,000</u>
<b>Net (loss)</b>	<u>(95,221)</u>	<u>(40,301)</u>
<b>Retained earnings, beginning (deficit)</b>	<u>(484,293)</u>	<u>(443,992)</u>
<b>Retained earnings, ending (deficit)</b>	<u>\$ (579,514)</u>	<u>\$ (484,293)</u>

The following notes are an integral part of these financial statements.

**TOWN OF ST. JOSEPH, LOUISIANA**  
**ENTERPRISE FUND**  
**UTILITY FUND**

**COMPARATIVE STATEMENT OF OPERATING EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	<u>2000</u>	(Memorandum Only) <u>1999</u>
<b>Gas department expenses:</b>		
Salaries and wages	\$ 73,285	\$ 71,606
Materials and supplies	290	2,504
Utilities	3,752	3,666
Insurance	1,379	-
Repairs	7,791	7,499
Gas purchased	122,715	116,002
Truck gas and oil	2,411	2,662
Bad debts	1,131	2,674
Employee drug testing	590	995
<b>Total gas departments</b>	<u>213,344</u>	<u>207,608</u>
 <b>Water department expenses:</b>		
Salaries and wages	31,609	30,524
Materials and supplies	42,665	59,892
Repairs	11,388	9,191
Utilities	15,510	12,646
Telephone	465	655
Insurance	1,513	-
<b>Total water department expenses</b>	<u>103,150</u>	<u>112,908</u>
 <b>Sewer department expenses:</b>		
Materials and supplies	1,977	6,573
Utilities	2,059	2,318
Repairs	1,920	3,416
Laboratory tests	910	840
<b>Total sewer department expenses</b>	<u>6,866</u>	<u>13,147</u>
 <b>General and administrative expenses:</b>		
Group insurance	16,466	16,466
Retirement	4,424	3,729
Telephone	2,128	2,000
Insurance	16,067	18,790
Rent	-	3,000
Computer services	1,063	2,537
Meter readings	5,500	5,800
Advertising	2,020	1,652
Office expense	5,651	1,546
Dues	428	633
Auditing and legal	8,873	6,729
Travel	5,227	4,916
Payroll taxes	6,930	7,787
Depreciation	93,014	93,014
Garbage collection	11,000	12,778
Other expenses	26,721	13,372
<b>Total general and administrative expenses</b>	<u>205,512</u>	<u>194,749</u>

The following notes are an integral part of these financial statements.



**TOWN OF ST. JOSEPH, LOUISIANA**  
**SCHEDULE OF COMPENSATION PAID ALDERMEN**  
**FOR THE YEAR ENDED JUNE 30, 2000**

<b>Jack Grace, Jr.</b>	<b>\$ 1,500</b>
<b>Craig Neurath</b>	<b>1,500</b>
<b>Jimmy Clark</b>	<b>1,500</b>
<b>Thelma Bradford</b>	<b>1,500</b>
<b>Buddy Tindell</b>	<b><u>1,500</u></b>
<b>Total</b>	<b><u><u>\$ 7,500</u></u></b>



**SECTION III – COMPLIANCE/INTERNAL CONTROL**

# SWITZER, HOPKINS & MANGE

Certified Public Accountants

DENNIS R. SWITZER, CPA  
H. MYLES HOPKINS, CPA  
SUSAN L. MANGE, CPA

JOHN M. JONES, CPA 1921 - 1983

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

Honorable Whitfield Jones, Mayor  
and Members of the Board of Aldermen  
Town of St. Joseph, Louisiana

We have audited the general purpose financial statements of Town of St. Joseph, Louisiana as of and for the year ended June 30, 2000, and have issued our report thereon dated September 15, 2000. We have conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Town of St. Joseph, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non compliance 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 that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of St. Joseph, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Town of

Honorable Whitfield Jones, Mayor  
and Members of the Board of Aldermen  
Page Two

St. Joseph, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2000-01.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information and use of management of the district and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Ferriday, Louisiana  
September 15, 2000

*Switzer, Hopkins & Manger*

**SECTION IV – SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS**

**TOWN OF ST. JOSEPH  
ST. JOSEPH, LOUISIANA 71366**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2000**

**Summary of Audit Results**

- 1. The auditor's report expresses an unqualified opinion on the General Purpose Financial Statements.**
- 2. One reportable condition was disclosed during the audit of the financial statements reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards.**
- 3. No instance of noncompliance certain laws and regulations of the Town of St. Joseph, Louisiana were disclosed during the audit.**

**Findings – Financial Statement Audit**

**Reportable Conditions**

**2000-1 Segregation of Duties**

- |                        |  |
|------------------------|--|
| <b>Condition:</b>      | <b>We noted that the Town of St. Joseph, Louisiana does not have adequate segregation of duties.</b>                 |
| <b>Criteria:</b>       | <b>To increase internal controls, we recommend adequate segregation of duties.</b>                                   |
| <b>Effect:</b>         | <b>Because of lack of segregation of duties, internal controls are weakened.</b>                                     |
| <b>Recommendation:</b> | <b>We recommend that an attempt be made to strengthen internal control problems created by having few employees.</b> |
| <b>Response:</b>       | <b>Management indicated that it would not be cost efficient or feasible to increase the number of employees.</b>     |

**TOWN OF ST. JOSEPH  
ST. JOSEPH, LOUISIANA 71366**

**SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 1999**

**INTERNAL CONTROL FINDINGS**

**99-1 Segregation of Duties  
(For fiscal year ending June 30, 1999)**

**Condition:** There is an insufficient segregation of duties to have an effective internal control.

**Current status:** This finding still applies and is noted in the current audit for the year ending June 30, 2000. (See current finding noted as 2000-1). Management indicates that no action can be taken at this time.