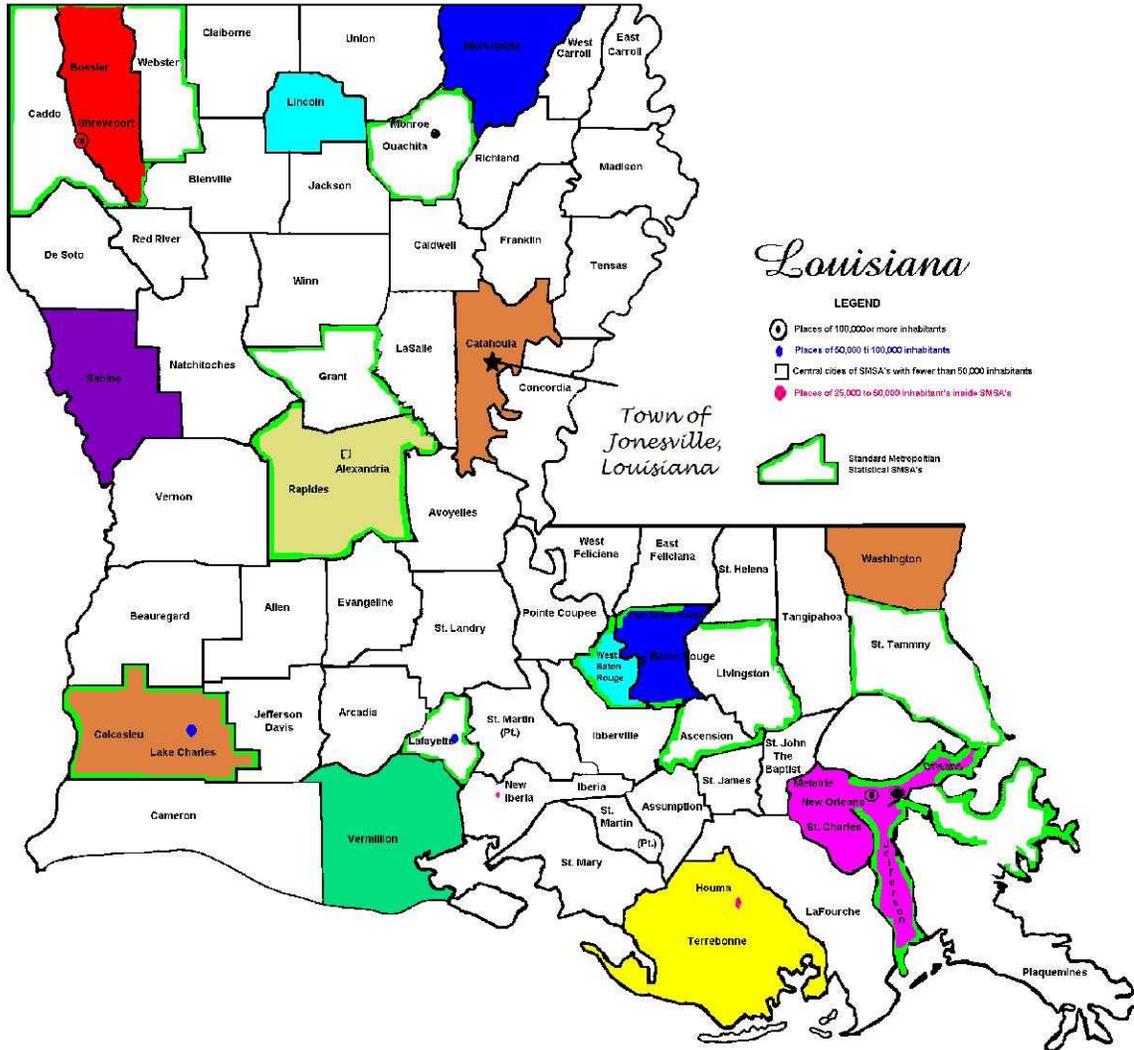


**TOWN OF JONESVILLE, LOUISIANA**

**Annual Financial Statements**

**June 30, 2021**

# TOWN OF JONESVILLE, LOUISIANA



The Town of Jonesville was incorporated under the Lawrason Act, and operates under the Mayor-Town Council form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), streets, sanitation, recreation, public improvements, planning and zoning, provision of gas, electric, and water utilities, sewer services, airport facilities, and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

**TOWN OF JONESVILLE, LOUISIANA**  
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**June 30, 2021**

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John R. Vercher C.P.A.  
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.  
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.  
davidvercher@centurytel.net

## **THE VERCHER GROUP**

*A Professional Corporation of  
Certified Public Accountants*

**P.O. Box 1608  
1737 N 2<sup>nd</sup> St. – Suite A**

**Jena, Louisiana 71342**

**Tel: (318) 992-6348**

**Fax: (318) 992-4374**

### MEMBERS

American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

Association of  
Certified Fraud Examiners

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Hiram Evans, Mayor  
& Members of the Town Council  
Jonesville, LA

### **Report on the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Jonesville, 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.

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, and each major fund of the Town of Jonesville, 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.

#### **Basis for Opinions**

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 the Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Jonesville and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Responsibilities of Management 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.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, 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 Jonesville's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2022, on our consideration of the Town of Jonesville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Jonesville's internal control over financial reporting and compliance.

## *The Vercher Group*

Jena, Louisiana  
April 29, 2022

# Town of Jonesville

PO Box 428

Jonesville, Louisiana 71343

Tel: (318) 339-8596

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the Town, we offer readers of the Town of Jonesville's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

### FINANCIAL HIGHLIGHTS

#### *Governmental Funds*

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$5,004,382 (*net position*). This is a \$283,955 increase from last year.
- The Town had total revenue of \$1,407,640 in which \$522,242 came from taxes and \$338,326 came from intergovernmental revenue. This is a \$128,007 increase from last year's revenues, mainly due to an increase in tax revenue in the amount of \$45,077 and an increase in fines in the amount of \$75,687.
- The Town had total expenditures of \$1,828,661, which is a \$144,397 decrease from last year. This decrease is due mainly to a decrease in general and administrative in the amount of \$151,774.

#### *Enterprise Funds*

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$14,435,096 (*net position*). This is a \$194,562 decrease from last year.
- The Town had total revenue of \$3,516,269, including operating revenues of \$3,515,776, non-operating revenues of \$493, and capital contributions of \$-0-. This is a \$172,950 decrease from last year. This decrease is due mainly to a decrease in electric sales in the amount of \$217,137.
- The Town had total expenses of \$3,271,664, including operating expenses of \$3,131,999 and non-operating expenses of \$139,665. This is a \$124,421 decrease from last year. A decrease in utility purchases in the amount of \$99,772 and other operating expenses in the amount of \$59,850 is the main cause of this decrease.

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## MD&A

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### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Town is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

### 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.

### USING THIS ANNUAL REPORT

The Town's annual report consists of financial statements that show information about the Town's funds, enterprise funds and governmental funds.

Our accountant has provided assurance in his independent accountant's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

### REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS

The Town's financial statements provide detailed information about the most significant funds. The Town may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Town's enterprise fund uses the following accounting approach:

All of the Town's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

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## MD&A

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### GOVERNMENTAL FUNDS

#### **Comparative Statement of Net Position**

The following table represents a Comparative Statement of Net Position as of June 30, 2021:

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
<b>ASSETS</b>			
Cash & Investments	\$ 101,479	\$ 65,820	-35.1
Receivables	31,099	15,748	-49.4
Restricted Assets	919,171	1,005,685	9.4
Capital Assets, Net of Accumulated Depreciation	<u>5,168,978</u>	<u>5,004,382</u>	-3.2
<b>TOTAL ASSETS</b>	<u>6,220,727</u>	<u>6,091,635</u>	-2.1
<b>LIABILITIES &amp; NET POSITION</b>			
Accounts, Salaries, & Other Payables	38,410	33,376	-13.1
Other Liabilities	14,842	37,234	150.9
Notes & Bonds Payable – Current	245,020	266,220	8.7
Notes & Bonds Payable – Noncurrent	<u>1,202,028</u>	<u>923,524</u>	-23.2
<b>TOTAL LIABILITIES</b>	<u>1,500,300</u>	<u>1,260,354</u>	-16.0
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,721,930	3,814,638	2.5
Restricted	674,151	739,465	9.7
Unrestricted	<u>324,346</u>	<u>277,178</u>	-14.5
<b>TOTAL NET POSITION</b>	<u>\$ 4,720,427</u>	<u>\$ 4,831,281</u>	2.3

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## MD&A

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### GOVERNMENTAL FUNDS

#### Comparative Changes in Fund Balances

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2021:

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
<b>REVENUES</b>			
Taxes	\$ 477,165	\$ 522,242	9.4
Licenses and Permits	125,997	163,256	29.6
Rentals	38,290	25,286	-33.9
Charges for Services	130,088	129,290	-0.6
Fines and Forfeitures	67,784	143,471	111.7
Intergovernmental	436,026	338,326	-22.4
Other	4,109	85,595	1,983.1
<b>TOTAL REVENUES</b>	<u>1,279,459</u>	<u>1,407,466</u>	10.0
<b>EXPENDITURES</b>			
General & Administrative	485,233	333,459	-31.3
Public Safety	373,744	417,350	11.7
Public Works	642,060	647,335	0.8
Recreation	577	1,000	73.3
Airport	6,820	9,075	33.1
Capital Outlay	178,944	106,766	-40.3
Debt Service	285,680	313,676	9.8
<b>TOTAL EXPENDITURES</b>	<u>1,973,058</u>	<u>1,828,661</u>	-7.3
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(693,599)</u>	<u>(421,195)</u>	39.3
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest Income	395	174	-55.9
Transfers In (Out)	531,145	439,167	-17.3
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>531,540</u>	<u>439,341</u>	-17.3
<b>NET CHANGE IN FUND BALANCE</b>	(162,059)	18,146	88.8
<b>FUND BALANCES--BEGINNING</b>	1,160,556	998,497	-14.0
<b>FUND BALANCES--ENDING</b>	<u>\$ 998,497</u>	<u>\$ 1,016,643</u>	1.8

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## MD&A

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### ENTERPRISE FUNDS

#### Comparative Statement of Net Position

The following table represents a Comparative Statement of Net Position as of June 30, 2021:

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
<b>ASSETS</b>			
Cash	\$ 100,907	\$ 97,315	-3.6
Receivables	219,334	166,399	-24.1
Restricted Assets	979,432	1,195,528	22.1
Capital Assets, Net of Accumulated Depreciation	<u>20,404,407</u>	<u>19,877,166</u>	-2.6
<b>TOTAL ASSETS</b>	<u>21,704,080</u>	<u>21,336,408</u>	-1.7
<b>LIABILITIES AND NET POSITION</b>			
Accounts, Salaries, & Other Payables	42,100	41,012	-2.6
Accrued Liabilities	19,195	62,025	223.1
Customer Deposits	217,439	193,821	-10.9
Notes & Bonds Payable – Current Portion	191,000	223,000	16.8
Notes & Bonds Payable – Noncurrent Portion	<u>6,604,688</u>	<u>6,381,454</u>	-3.4
<b>TOTAL LIABILITIES</b>	<u>7,074,422</u>	<u>6,901,312</u>	-2.4
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,608,719	13,272,712	-2.5
Restricted	559,147	710,920	27.1
Unrestricted	<u>461,792</u>	<u>451,464</u>	-2.2
<b>TOTAL NET POSITION</b>	<u>\$ 14,629,658</u>	<u>\$ 14,435,096</u>	-1.3

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## MD&A

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### ENTERPRISE FUNDS

#### Comparative Changes in Net Position

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2021:

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
<b>OPERATING REVENUES</b>			
Electric Sales	\$ 2,578,963	\$ 2,361,826	-8.4
Gas Sales	364,055	401,445	10.3
Water Sales	359,615	343,386	-4.5
Sewer Sales	340,099	354,260	4.2
Other Fees/Charges	46,016	54,859	19.2
<b>TOTAL OPERATING REVENUES</b>	<u>3,688,748</u>	<u>3,515,776</u>	-4.7
<b>OPERATING EXPENSES</b>			
Utility Purchases	1,732,969	1,633,197	-5.8
Administration/Personnel	257,661	266,391	3.4
Repairs and Maintenance	83,194	103,916	24.9
Materials & Supply	73,260	112,269	53.2
Utilities	74,829	73,157	-2.2
Other Operating Expenses	475,678	415,828	-12.6
Depreciation	537,268	527,241	-1.9
<b>TOTAL OPERATING EXPENSES</b>	<u>3,234,859</u>	<u>3,131,999</u>	-3.2
<b>OPERATING INCOME (LOSS)</b>	<u>453,889</u>	<u>383,777</u>	-15.4
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Earnings	471	493	4.7
Interest Expense	(161,226)	(139,665)	13.4
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(160,755)</u>	<u>(139,172)</u>	13.4
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	293,134	244,605	-16.6
Transfers In/(Out)	(531,145)	(439,167)	17.3
Capital Contributions	-0-	-0-	
<b>CHANGE IN NET POSITION</b>	(238,011)	(194,562)	18.3
<b>TOTAL NET POSITION – BEGINNING</b>	<u>14,867,669</u>	<u>14,629,658</u>	-1.6
<b>TOTAL NET POSITION – ENDING</b>	<u>\$ 14,629,658</u>	<u>\$ 14,435,096</u>	-1.3

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**MD&A**

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**CAPITAL ASSETS & LONG-TERM DEBT**

*Capital Assets – Governmental Fund*

At June 30, 2021, the Town had \$5,004,382 invested in capital assets, including the following:

**Capital Assets at Year-End**

	<u>2020</u>	<u>2021</u>
Land*	\$ 422,850	\$ 422,850
Buildings	1,079,801	1,079,801
Land Improvements	3,040,857	3,138,784
Machinery & Equipment	2,561,859	2,570,699
Vehicles	761,843	761,843
Accumulated Depreciation	<u>(2,706,484)</u>	<u>(2,969,595)</u>
<b>Total</b>	<b>\$ <u>5,160,726</u></b>	<b>\$ <u>5,004,382</u></b>

\*Land in the amount of \$422,850 is not being depreciated.

*Capital Assets – Enterprise Fund*

At June 30, 2021, the Town had \$19,877,166 invested in capital assets, including the following:

**Capital Assets at Year-End**

	<u>2020</u>	<u>2021</u>
Land*	\$ 21,612	\$ 21,612
Buildings	11,579	11,579
Plant and Equipment	28,224,771	28,224,771
Accumulated Depreciation	<u>(7,853,555)</u>	<u>(8,380,796)</u>
<b>Total</b>	<b>\$ <u>20,404,407</u></b>	<b>\$ <u>19,877,166</u></b>

\*Land in the amount of \$21,612 is not being depreciated.

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## MD&A

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### *Long-Term Obligations – General Fund*

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

	<u>Bonds Payable</u>		<u>Notes Payable</u>		<u>Total</u>
Long-term obligations at beginning of year	\$ 1,419,387	\$	27,660	\$	1,447,047
Additions to principal					
Repayment of principal	<u>(247,584)</u>		<u>(9,720)</u>		<u>(257,304)</u>
Long-term obligations at end of year	\$ 1,171,803	\$	17,940	\$	1,189,743
Less current portion	<u>(256,500)</u>		<u>(9,720)</u>		<u>(266,220)</u>
Long-term portion	<u>\$ 915,303</u>	\$	<u>8,220</u>	\$	<u>923,523</u>

### *Long-Term Obligations – Enterprise Fund*

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

	<u>Bonds Payable</u>		<u>Notes Payable</u>		<u>Total</u>
Long-term obligations at beginning of year	\$ 6,675,019	\$	121,848	\$	6,796,867
Additions to principal					
Repayment of principal	<u>(190,990)</u>		<u>(1,423)</u>		<u>(192,413)</u>
Long-term obligations at end of year	\$ 6,484,029	\$	120,425	\$	6,604,454
Less current portion	<u>(220,000)</u>		<u>(3,000)</u>		<u>(223,000)</u>
Long-term portion	<u>\$ 6,264,029</u>	\$	<u>117,425</u>	\$	<u>6,381,454</u>

### **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Hiram Evans, Mayor, at the Town of Jonesville, phone (318) 339-8596.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF JONESVILLE, LOUISIANA**  
**Statement of Net Position**  
**June 30, 2021**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS- TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>CURRENT ASSETS</b>			
Cash	\$ 65,820	\$ 97,315	\$ 163,135
Receivables (Net of Allowances for Uncollectible)	15,748	166,399	182,147
<b>TOTAL CURRENT ASSETS</b>	<u>81,568</u>	<u>263,714</u>	<u>345,282</u>
<b>NON-CURRENT ASSETS</b>			
Restricted Assets	1,005,685	1,195,528	2,201,213
Capital Assets (Net of Accumulated Depreciation)	5,004,382	19,877,166	24,881,548
<b>TOTAL NON-CURRENT ASSETS</b>	<u>6,010,067</u>	<u>21,072,694</u>	<u>27,082,761</u>
<b>TOTAL ASSETS</b>	<u>6,091,635</u>	<u>21,336,408</u>	<u>27,428,043</u>
<b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	33,376	41,012	74,388
Accrued Liabilities	37,234	49,834	87,068
Customer Deposits	-0-	193,821	193,821
Accrued Interest	-0-	12,191	12,191
Notes Payable, Current	9,720	3,000	12,720
Bonds Payable, Current	256,500	220,000	476,500
<b>TOTAL CURRENT LIABILITIES</b>	<u>336,830</u>	<u>519,858</u>	<u>856,688</u>
<b>NON-CURRENT LIABILITIES</b>			
Notes Payable	8,221	117,425	125,646
Bonds Payable	915,303	6,264,029	7,179,332
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>923,524</u>	<u>6,381,454</u>	<u>7,304,978</u>
<b>TOTAL LIABILITIES</b>	<u>1,260,354</u>	<u>6,901,312</u>	<u>8,161,666</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,814,638	13,272,712	17,087,350
Restricted	739,465	710,920	1,450,385
Unrestricted	277,178	451,464	728,642
<b>TOTAL NET POSITION</b>	<u>\$ 4,831,281</u>	<u>\$ 14,435,096</u>	<u>\$ 19,266,377</u>

The accompanying notes are an integral part of this statement.



**TOWN OF JONESVILLE, LOUISIANA**  
**Balance Sheet, Governmental Funds**  
**June 30, 2021**

	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUND</b>	<b>DEBT SERVICE FUND</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 65,820	\$ -0-	\$ -0-	\$ 65,820
Receivables (Net of Allowances for Uncollectable)	15,748	-0-	-0-	15,748
Restricted Cash and Cash Equivalents	192,196	769,458	44,031	1,005,685
<b>TOTAL ASSETS</b>	<b>273,764</b>	<b>769,458</b>	<b>44,031</b>	<b>1,087,253</b>
<b>LIABILITIES</b>				
Accounts, Salaries, and Other Payables	33,376	-0-	-0-	33,376
Accrued Liabilities	37,234	-0-	-0-	37,234
<b>TOTAL LIABILITIES</b>	<b>70,610</b>	<b>-0-</b>	<b>-0-</b>	<b>70,610</b>
<b>FUND BALANCES</b>				
Restricted	192,196	769,458	44,031	1,005,685
Unassigned	10,958	-0-	-0-	10,958
<b>TOTAL FUND BALANCES</b>	<b>203,154</b>	<b>769,458</b>	<b>44,031</b>	<b>1,016,643</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 273,764</b>	<b>\$ 769,458</b>	<b>\$ 44,031</b>	<b>\$ 1,087,253</b>

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Reconciliation of the Government Funds Balance Sheet**  
**to the Government-Wide Financial Statement of Net Position**  
**June 30, 2021**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds (Statement C)	\$ 1,016,643
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Governmental Capital Assets	7,973,977
Less Accumulated Depreciation	<u>(2,969,595)</u>
	5,004,382
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
	<u>(1,189,744)</u>
Net Position of Governmental Activities (Statement A)	\$ <u>4,831,281</u>

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Statement of Revenues, Expenditures &**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	<u>GENERAL</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL</u>
<b>REVENUES</b>				
Taxes:				
Ad Valorem Tax	\$ 84,158	\$ -0-	\$ -0-	\$ 84,158
Sales Tax	-0-	438,084	-0-	438,084
Licenses and Permits	163,256	-0-	-0-	163,256
Rentals	25,286	-0-	-0-	25,286
Charges for Services	129,290	-0-	-0-	129,290
Fines and Forfeitures	143,471	-0-	-0-	143,471
Intergovernmental	338,326	-0-	-0-	338,326
Other	85,595	-0-	-0-	85,595
<b>TOTAL REVENUES</b>	<u>969,382</u>	<u>438,084</u>	<u>-0-</u>	<u>1,407,466</u>
<b>EXPENDITURES</b>				
General	\$ 333,459	-0-	-0-	333,459
Public Safety:				
Police	417,350	-0-	-0-	417,350
Fire	-0-	-0-	-0-	-0-
Public Works:				
Streets	488,046	11,098	500	499,644
Sanitation	147,691	-0-	-0-	147,691
Recreation	1,000	-0-	-0-	1,000
Airport	9,075	-0-	-0-	9,075
Capital Outlay	45,839	60,927	-0-	106,766
Debt Service	22,834	74,219	216,623	313,676
<b>TOTAL EXPENDITURES</b>	<u>1,465,294</u>	<u>146,244</u>	<u>217,123</u>	<u>1,828,661</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(495,912)</u>	<u>291,840</u>	<u>(217,123)</u>	<u>(421,195)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interest Income	174	-0-	-0-	174
Transfers In (Out)	466,712	(269,020)	241,475	439,167
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>466,886</u>	<u>(269,020)</u>	<u>241,475</u>	<u>439,341</u>
<b>NET CHANGE IN FUND BALANCE</b>	(29,026)	22,820	24,352	18,146
<b>FUND BALANCES--BEGINNING</b>	232,180	746,638	19,679	998,497
<b>FUND BALANCES--ENDING</b>	<u>\$ 203,154</u>	<u>\$ 769,458</u>	<u>\$ 44,031</u>	<u>\$ 1,016,643</u>

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**& Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2021**

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ 18,146

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

	Capital Outlay	106,767	
	Depreciation Expense	(271,363)	(164,596)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

	Loan Proceeds	-0-	
	Principal Paid	257,304	257,304

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

-0-

Changes in Net Position of Governmental Activities, Statement B \$ 110,854

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Statement of Net Position, Proprietary Funds**  
**June 30, 2021**

	<b>BUSINESS-TYPE ACTIVITIES</b>
	<b>ENTERPRISE FUND</b>
<b>CURRENT ASSETS</b>	
Cash & Cash Equivalents	\$ 97,315
Receivables (Net of Allowances for Uncollectible)	166,399
<b>TOTAL CURRENT ASSETS</b>	263,714
<b>NON-CURRENT ASSETS</b>	
Restricted Assets	1,195,528
Capital Assets (Net of Accumulated Depreciation)	19,877,166
<b>TOTAL NON-CURRENT ASSETS</b>	21,072,694
<b>TOTAL ASSETS</b>	21,336,408
<b>CURRENT LIABILITIES</b>	
Accounts, Salaries, & Other Payables	41,012
Accrued Liabilities	49,834
<b>TOTAL CURRENT LIABILITIES</b>	90,846
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	
Customer Deposits	193,821
Accrued Interest	12,191
Notes Payable – Current Portion	3,000
Bonds Payable – Current Portion	220,000
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	429,012
<b>NON-CURRENT LIABILITIES</b>	
Notes Payable	117,425
Bond Payable (Net of Discount)	6,264,029
<b>TOTAL CURRENT LIABILITIES</b>	6,381,454
<b>TOTAL LIABILITIES</b>	6,901,312
<b>NET POSITION</b>	
Net Investment in Capital Assets	13,272,712
Restricted	710,920
Unrestricted	451,464
<b>TOTAL NET POSITION</b>	\$ 14,435,096

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Statement of Revenues, Expenses & Changes in Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	<b>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</b>
<b>OPERATING REVENUES</b>	
Electric Sales	\$ 2,361,826
Gas Sales	401,445
Water Sales	343,386
Sewer Sales	354,260
Other Fees/Charges	54,859
<b>TOTAL OPERATING REVENUES</b>	<b>3,515,776</b>
<b>OPERATING EXPENSES</b>	
Utility Purchases	1,633,197
Administration/Personnel	266,391
Repairs and Maintenance	103,916
Materials and Supplies	112,269
Utilities	73,157
Other Operating Expenses	415,828
Depreciation	527,241
<b>TOTAL OPERATING EXPENSES</b>	<b>3,131,999</b>
<b>OPERATING INCOME (LOSS)</b>	<b>383,777</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest Earnings	493
Interest Expense	(139,665)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(139,172)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	<b>244,605</b>
Transfers In/(Out)	(439,167)
Capital Contributions	-0-
<b>CHANGE IN NET POSITION</b>	<b>(194,562)</b>
<b>TOTAL NET POSITION – BEGINNING</b>	<b>14,629,658</b>
<b>TOTAL NET POSITION – ENDING</b>	<b>\$ 14,435,096</b>

The accompanying notes are an integral part of this statement.

**TOWN OF JONESVILLE, LOUISIANA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**June 30, 2021**

	<u>BUSINESS-TYPE ACTIVITIES</u>
	<u>ENTERPRISE FUND</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers & Users	\$ 3,545,093
Payments to Suppliers	(2,296,626)
Payments to Employees	(266,391)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>982,076</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers In (Out)	(439,167)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(439,167)</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	
Contributions & Grants	-0-
Construction of Capital Assets	-0-
Additions to Capital Debt	-0-
Interest Paid on Capital Debt	(136,863)
Principal Paid on Capital Debt	(194,035)
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<u>(330,898)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest & Dividends Received	493
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>493</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	212,504
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,080,339</u>
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>	<u>1,292,843</u>
<b>RECONCILIATION TO BALANCE SHEET</b>	
Cash and Cash Equivalents	97,315
Restricted Cash	1,195,528
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>1,292,843</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating Income (Loss)	383,777
Depreciation Expense	527,241
(Increase) Decrease in Accounts Receivable	52,935
Increase (Decrease) in Accounts Payables	(1,089)
Increase (Decrease) in Accrued Liabilities	42,485
Increase (Decrease) in Accrued Interest	345
Increase (Decrease) Customer Deposits	(23,618)
<b>TOTAL ADJUSTMENTS</b>	<u>598,299</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 982,076</u>

The accompanying notes are an integral part of this statement.

**NOTES  
TO THE BASIC  
FINANCIAL STATEMENTS**

## TOWN OF JONESVILLE, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### **(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Jonesville, Louisiana was incorporated December 16, 1903, under the provisions of the Lawrason Act. The Town operates under the Mayor-Town Council form of government and provides the following services as authorized by the Act: public safety (police and fire); streets; sanitation; recreation; public improvements; planning and zoning; provision of gas, electric, and water utilities; sewer services; airport facilities; and general services.

The accounting and reporting policies of the Town of Jonesville conform to generally accepted accounting principles as applicable to governments.

GASB Statement 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary governing body, is legally separate, and is fiscally independent means that the municipality may, without the approval or consent of another government entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

The following is a summary of certain significant accounting policies:

#### **A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are 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 properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## TOWN OF JONESVILLE, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

#### **B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

- The general fund is the municipality's primary operating fund. It accounts for all financial resources and expenditures of the general government, except those required to be accounted for in a special revenue fund.
- The special revenue fund is used to account for all financial resources and expenditures of street improvements.
- The debt service fund is used to account for the accumulation of monies from dedicated sales tax for the payment of sales tax bonds issued for street improvements.

The municipality reports the following major proprietary fund:

The utility fund is used to account for the provision of gas, electric, and water utilities, as well as sewer 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, operations, maintenance, financing, and related debt service and billing and collection.

## TOWN OF JONESVILLE, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The proprietary fund distinguishes operating revenues and expenses from nonoperating 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 are charges for services and sales taxes. Operating expenses for enterprise funds 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 nonoperating revenues and expenses.

#### C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The Town has implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the purposes for which resources can be used:

## TOWN OF JONESVILLE, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

#### D. CASH & CASH EQUIVALENTS

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition. State law and the municipality's investments policy allow the municipality to invest in collateralized certificate of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Town. For the purpose of the proprietary fund Statement of Cash Flows, "Cash and Cash Equivalents" include all demand and savings accounts, and certificates of deposit under 90 days.

#### E. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**F. AD VALOREM TAXES**

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following shows the amount of authorized and levied ad valorem taxes on property with assessed valuations totaling \$9,615,025.

General purposes	8.670 mills
Total taxes levied	\$83,362

**G. INVENTORIES**

For both governmental and proprietary funds, purchase of various operating supplies are regarded as expenditures or expenses at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. For the year ending June 30, 2021, these amounts were considered to be immaterial.

**H. RESTRICTED ASSETS**

Restricted assets include cash and cash investments, which are restricted for the following.

- Restricted assets were applicable to the following at June 30, 2021:

	<b>Governmental</b>
Bond Sinking/Reserve/Contingencies	\$ 164,484
Grant/Construction	71,743
Sales Tax	769,458
<b>Total</b>	<b>\$ 1,005,685</b>

	<b>Enterprise</b>
Customer Deposits	\$ 238,999
Bond Sinking/Reserve/Contingencies	956,529
Grant/Construction	-0-
<b>Total</b>	<b>\$ 1,195,528</b>

**I. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if the historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town of Jonesville maintains a threshold level of \$2,500 or more for capitalizing capital assets.

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

For the year ended June 30, 2021, no interest costs were capitalized for construction of fixed assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Governmental Activities</u>	<u>Life In Years</u>
Land Improvements	30
Buildings	40
Machinery and Equipment	5-20
Vehicles	5-15
<u>Business-Type Activities/Enterprise</u>	<u>Life In Years</u>
Buildings	25
Infrastructure	20-50
Machinery and Equipment	5-20
Vehicles	5-15

**J. COMPENSATED ABSENCES**

The liability for compensated absences has not been accrued because the amount is considered to be immaterial.

**K. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**L. FUND EQUITY**

In the fund equity statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plan that are subject to change.

## TOWN OF JONESVILLE, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

#### 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### (2) CASH & CASH EQUIVALENTS

##### *Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. 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.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity's name.

##### *Deposits*

It is the Town's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at year end. The categories are described as follows:

- *Category 1* – Insured or collateralized with securities held by the Town or by its agent in the Town's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.
- *Category 3* – Uncollateralized.

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

	<u>Catahoula/ LaSalle</u>	<u>Concordia Bank &amp; Trust</u>	<u>Total</u>
<b>Bank Balances</b>	\$ 1,506,660	\$ 806,989	\$ 2,313,649
<i>Secured As Follows</i>			
FDIC (Category 1)	500,000	250,000	750,000
Securities (Category 2)	657,958	1,023,241	1,681,199
Uncollateralized (Category 3)	348,702	-0-	348,702
<b>Total</b>	<u>\$ 1,506,660</u>	<u>\$ 1,273,241</u>	<u>\$ 2,779,901</u>

All deposits were **not** secured as of June 30, 2021.

**(3) INTERFUND TRANSFERS**

Interfund transfers during the year ended June 30, 2021, were as follows:

\$439,167 was transferred from the utility fund to the general fund.

Transfers are primarily used to move funds from:

- The proprietary funds to the general fund to cover expenses of general operations.

**(4) RECEIVABLES**

The receivables of \$182,147 at June 30, 2021, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Taxes:			
Property Taxes	\$ 4,493	\$ -0-	\$ 4,493
Intergovernmental:			
State	-0-	-0-	-0-
Parish	-0-	-0-	-0-
Accounts	11,255	188,152	199,407
Other	-0-	1,062	1,062
Allowance for Uncollectibles	-0-	(22,815)	(22,815)
<b>Total</b>	<u>\$ 15,748</u>	<u>\$ 166,399</u>	<u>\$ 182,147</u>

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance amount at the time information becomes available which would indicate the uncollectibility of the receivable.

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**(5) CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2021, is as follows:

**Governmental Activities**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Land*	\$ 422,850	\$ -0-	\$ -0-	\$ 422,850
Buildings	1,079,801	-0-	-0-	1,079,801
Land Improvements	3,040,857	97,927	-0-	3,138,784
Machinery & Equipment	2,561,859	8,840	-0-	2,570,699
Vehicles	761,843	-0-	-0-	761,843
<b>Total Fixed Assets</b>	<u>7,867,210</u>	<u>106,767</u>	<u>-0-</u>	<u>7,973,977</u>
Less Accumulated Depreciation	<u>(2,706,484)</u>	<u>(263,111)</u>	<u>-0-</u>	<u>(2,969,595)</u>
<b>Net Capital Assets</b>	<u>\$ 5,160,726</u>	<u>\$ (156,344)</u>	<u>\$ -0-</u>	<u>\$ 5,004,382</u>

\*Land in the amount of \$422,850 is not being depreciated.

Depreciation expense of \$263,111 for the year ended June 30, 2021, was charged to the following governmental functions:

General Government	\$ 22,676
Public Safety:	
Police	12,848
Fire	-0-
Public Works:	
Streets	128,810
Sanitation	-0-
Recreation	-0-
Airport	98,777
<b>Total Depreciation</b>	<u>\$ 263,111</u>

**Business-Type Activities**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Land*	\$ 21,612	\$ -0-	\$ -0-	\$ 21,612
Buildings	11,579	-0-	-0-	11,579
Plant and Equipment	28,224,771	-0-	-0-	28,224,771
<b>Total</b>	<u>28,257,962</u>	<u>-0-</u>	<u>-0-</u>	<u>28,257,962</u>
Accumulated Depreciation	<u>(7,853,555)</u>	<u>(527,241)</u>	<u>-0-</u>	<u>(8,380,796)</u>
<b>Net Capital Assets</b>	<u>\$ 20,404,407</u>	<u>\$ (527,241)</u>	<u>\$ -0-</u>	<u>\$ 19,877,166</u>

\* Land in the amount of \$21,612 is not being depreciated.

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**(6) LONG-TERM OBLIGATIONS**

**Governmental Funds**

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

	<b>Bonds Payable</b>	<b>Notes Payable</b>	<b>Total</b>
Long-term obligations at beginning of year	\$ 1,419,387	\$ 27,660	\$ 1,447,047
Additions to principal	-0-	-0-	-0-
Repayment of principal	<u>(247,584)</u>	<u>(9,720)</u>	<u>(257,304)</u>
Long-term obligations at end of year	1,171,803	17,940	1,189,743
Less current portion	<u>(256,500)</u>	<u>(9,720)</u>	<u>(266,220)</u>
Long-term portion	<u>\$ 915,303</u>	<u>\$ 8,220</u>	<u>\$ 923,523</u>

Long-term debt for governmental funds as of June 30, 2021, is comprised of the following:

United States Department of Agriculture – Public Improvement Bond, Series 2012 indebtedness to construct a new Town Hall in the amount of \$139,900, commencing on January 24, 2014, and payable in monthly installments of \$518 until maturity on January 24, 2053, with an annual interest rate of 3.125%.	\$ 118,803
Sales tax bonds in the amount of \$1,900,000, Series 2017 issued for street improvements, beginning November 2017 and commencing on November 2025, and due in semi-annual installments changing each year with a coupon rate of 2.425%.	1,053,000
Wells Fargo Equipment Finance – 2012 John Deere 310J Backhoe Loader financed in the amount of \$37,351.33, beginning April 2019, commencing March 2023, payable in monthly installments of \$958.83, interest rate of 10.638%.	<u>17,941</u>
Total long-term debt	<u>\$ 1,189,744</u>

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

The annual requirements to amortize all debt outstanding as of June 30, 2021, including interest payments, are as follows:

<b>Year Ending June 30,</b>	<b>Bonds &amp; Notes Payable</b>
2022	\$ 291,022
2023	286,752
2024	287,048
2025	290,800
2026	6,216
2027-2031	31,080
2032-2036	31,080
2037-2041	31,080
2042-2046	31,080
2047-2051	31,080
2052-2056	9,815
<b>Total</b>	<b>\$ 1,327,053</b>

**Enterprise Fund**

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

	<b>Bonds Payable</b>	<b>Notes Payable</b>	<b>Total</b>
Long-term obligations at beginning of year	\$ 6,675,019	\$ 121,848	\$ 6,796,867
Additions to principal	-0-	-0-	-0-
Repayment of principal	(190,990)	(1,423)	(192,413)
Long-term obligations at end of year	6,484,029	120,425	6,604,454
Less current portion	(220,000)	(3,000)	(223,000)
Long-term portion	\$ 6,264,029	\$ 117,425	\$ 6,381,454

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

Long-term debt for the enterprise fund as of June 30, 2021, is comprised of the following:

Revenue refunding bonds to refinance debt and pay electricity purchases in the amount of \$760,000, net of discount commencing on March 20, 2020, and payable in annual installments beginning at \$65,000 and changing from year to year until maturity on June 30, 2028, with an annual coupon rate beginning at 2.250% and increasing annually.	\$ 695,000
Forty-year note payable to provide financing in the amount of \$205,000, to United States Department of Agriculture, dated December 1, 2010, with principal due annually and interest due semi-annually, with an annual interest rate of 3.00%.	120,425
Bond payable to United States Department of Agriculture, in the amount of \$3,326,000, with interest payments due semi-annually beginning December 1, 2012, and principal payments due annually commencing December 1, 2014, until maturity on December 1, 2051, with an annual interest rate of 2%.	2,913,554
Bond payable to United States Department of Agriculture, in the amount of \$3,292,000, with interest payments due semi-annually beginning December 1, 2012, and principal payments due annually commencing December 1, 2014, until maturity on December 1, 2051, with an annual interest rate of 2%.	<u>2,882,549</u>
Total long-term debt	\$ <u>6,611,528</u>

The annual requirements to amortize all debt outstanding as of June 30, 2021, including interest payments, are as follows:

<b>Year Ending June 30,</b>	<b>Bones &amp; Notes Payable</b>
2022	\$ 366,266
2023	367,057
2024	366,801
2025	368,474
2026	370,786
2027-2031	1,493,705
2032-2036	1,423,180
2037-2041	1,445,180
2042-2046	1,417,356
2047-2051	1,387,000
2052-2056	<u>274,093</u>
<b>Total</b>	<b>\$ <u>9,279,898</u></b>

**TOWN OF JONESVILLE, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**(7) SEGMENT INFORMATION FOR UTILITY FUND**

The enterprise fund operated by the Town provides electric, water, gas, and sewer utility services. The following is a summary of segment information for enterprise funds:

	<b>Electric Utility</b>	<b>Gas Utility</b>	<b>Water Utility</b>	<b>Sewer Service</b>	<b>Total</b>
Operating Revenue	\$ 2,363,513	\$ 401,445	\$ 396,559	\$ 354,260	\$ 3,515,777
Purchase of Utility	(1,273,495)	(359,702)	-0-	-0-	(1,633,197)
Operating Expenses	(417,391)	(100,727)	(295,468)	(157,975)	(971,561)
Depreciation	(38,299)	(13,347)	(183,998)	(291,597)	(527,241)
Nonoperating Revenue	344	-0-	148	-0-	492
Nonoperating Expense	(19,254)	-0-	(62,120)	(58,291)	(139,665)
<b>Operating Income (Loss)</b>	<b>\$ 615,418</b>	<b>\$ (72,331)</b>	<b>\$ (144,879)</b>	<b>\$ (153,603)</b>	<b>\$ 244,605</b>

**(8) RESTRICTED NET POSITION**

• **Governmental Fund**

- The Town's debt service fund had restricted net position of \$739,465, which have been restricted for future payments of long-term debt.

• **Enterprise Funds**

- The Town's water fund had restricted net position of \$710,920, which arose from restricted monies as required by revenue bond indentures.

**(9) ELECTED OFFICIALS**

The following is a list of elected officials and their term for the year ending June 30, 2021:

<b>Name</b>	<b>Title</b>	<b>Term</b>
Milton Ceasar	Mayor	1/1/2019 – 12/31/2022
Marcellus Cummings	Police Chief	1/1/2019 – 12/31/2022
Benny Vault, Sr	Council	1/1/2019 – 12/31/2022
Catina Branch	Council	1/1/2019 – 12/31/2022
Josie Bullitts	Council	1/1/2019 – 12/31/2022
Loria Hollins	Council	1/1/2019 – 12/31/2022
Bruce Lofton	Council	1/1/2019 – 12/31/2022

## TOWN OF JONESVILLE, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

#### (10) RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### (11) SALES AND USE TAX REVENUES

- A) The Town receives hard surface road tax and sanitation tax from Catahoula Parish. The Town received \$83,199 in hard surface road tax and \$199,922 in sanitation tax for the fiscal year ended June 30, 2021.
- B) The Town receives 1% sales and use tax from Catahoula Parish to be used for the purpose of hard surfacing, rehabilitation, and resurfacing of the streets located within the corporate limits of the Town. The Town received \$438,084 in sales tax for the fiscal year ended June 30, 2021.

#### (12) CONTINGENCIES

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public place and businesses. The coronavirus and actions taken to mitigate it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Entity operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Town anticipates this could negatively affect its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

#### (13) SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date through, April 29, 2021, of the independent auditor’s report for potential recognition or disclosure in the financial statements.

**REQUIRED SUPPLEMENTAL INFORMATION**

**TOWN OF JONESVILLE, LOUISIANA**  
**Statement of Revenues, Expenditures, & Changes in Fund Balance**  
**Budget & Actual**  
**General and Special Revenue Funds**  
**For the Year Ended June 30, 2021**

	BUDGET AMOUNTS		Actual Amounts	VARIANCES FAVORABLE (UNFAVORABLE)
	Original	Final	Budgetary Basis	
<b>REVENUES</b>				
Taxes	\$ 90,000	\$ 400,000	\$ 522,242	\$ 122,242
Licenses and Permits	106,000	100,000	163,256	63,256
Rentals	18,000	30,000	25,286	(4,714)
Intergovernmental	650,000	400,000	338,326	(61,674)
Fines	100,000	60,000	143,471	83,471
Charges for Services	145,000	175,000	129,290	(45,710)
Other	100,700	45,400	85,595	40,195
<b>TOTAL REVENUES</b>	<u>1,209,700</u>	<u>1,210,400</u>	<u>1,407,466</u>	<u>197,066</u>
<b>EXPENDITURES</b>				
General Government	463,031	513,050	333,459	179,591
Public Safety:				
Police	310,579	373,100	417,350	(44,250)
Fire	-0-	-0-	-0-	-0-
Public Works:				
Streets	488,788	350,350	499,644	(149,294)
Sanitation	140,000	350,000	147,691	202,309
Recreation	-0-	1,700	1,000	700
Airport	-0-	10,750	9,075	1,675
Capital Outlay	766,000	212,000	106,767	105,233
Debt Service	39,804	24,875	313,676	(288,801)
<b>TOTAL EXPENDITURES</b>	<u>2,208,202</u>	<u>1,835,825</u>	<u>1,828,662</u>	<u>7,163</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(998,502)</u>	<u>(625,425)</u>	<u>(421,196)</u>	<u>204,229</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interest Income	-0-	-0-	174	174
Transfer In/(Out)	700,000	800,000	439,167	(360,833)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>700,000</u>	<u>800,000</u>	<u>439,341</u>	<u>(360,659)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (298,502)</u>	<u>\$ 174,575</u>	<u>\$ 18,145</u>	<u>\$ (156,430)</u>
<b>FUND BALANCE - BEGINNING</b>			<u>998,497</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 1,016,643</u>	

See independent auditors report.

**TOWN OF JONESVILLE, LOUISIANA**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2021**

Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

Budget Amendments and Revisions

The budget is adopted by the Town Council. Amendments can be made on the approval of the Town Council. A budgetary comparison is presented for the General Fund and each major special revenue fund consistent with accounting principles generally accepted in the United States of America.

## **Supplemental Information**

**TOWN OF JONESVILLE, LOUISIANA**  
**Schedule of Compensation Benefits and Other Payments**  
**to Agency Head or Chief Executive Officer**  
**For the Year Ended June 30, 2021**

Honorable Milton Ceasar, Mayor

Purpose	Amount	
Salary	\$	27,072
Benefits-Insurance		-0-
Benefits-Retirement		-0-
Benefits (Expense Allowance)		-0-
Car Allowance		-0-
Vehicle Provided by Government		-0-
Per Diem		-0-
Reimbursements		-0-
Travel		-0-
Registration Fees		-0-
Conference Travel		-0-
Continuing Professional Education Fees		-0-
Housing		-0-
Un-vouchered Expenses*		-0-
Special Meals	\$	-0-

\*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

**Town of Jonesville  
Jonesville, Louisiana  
Justice System Funding Schedule – Collecting/Disbursing Entity  
Year Ended June 30, 2021**

	<b>First Six Months Ended 12/31/2020</b>	<b>Second Six Months Ended 06/30/2021</b>
<b>Beginning Balance of Amounts Collected</b>	\$ -0-	\$ 23,806
<b>Add: Collections</b>		
Criminal Court Costs/Fees/Fines & Suspension Fees	23,806	119,538
<b>Subtotal Collections</b>	<u>23,806</u>	<u>119,538</u>
<b>Less: Disbursements to Governments &amp; Nonprofits</b>		
Department of Health and Hospital	-0-	-0-
State Treasurer – CMIS	-0-	-0-
LA Commission on Law Enforcement	-0-	-0-
LA Supreme Court Education Fund	-0-	-0-
Central LA Juvenile Fund	-0-	-0-
LA Chiefs of Police	-0-	-0-
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-0-	-0-
<b>Subtotal Disbursements/Retainage</b>	<u>-0-</u>	<u>-0-</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	<u>23,806</u>	<u>143,344</u>
<b>Ending Balance of “Partial Payments” Collected but not Disbursed</b>	-0-	-0-
<b>Other Information:</b>		
<b>Ending Balance of Total Amounts Assessed but not yet Collected</b>	-0-	-0-
<b>Total Waivers During the Fiscal Period</b>	\$ -0-	\$ -0-

See independent auditor’s report.



**Other Reports**

John R. Vercher C.P.A.  
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.  
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.  
davidvercher@centurytel.net

## **THE VERCHER GROUP**

*A Professional Corporation of  
Certified Public Accountants*

**P.O. Box 1608  
1737 N 2<sup>nd</sup> St. – Suite A  
Jena, Louisiana 71342  
Tel: (318) 992-6348  
Fax: (318) 992-4374**

### MEMBERS

American Institute of  
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Certified Public Accountants

Association of  
Certified Fraud Examiners

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

Honorable Hiram Evans, Mayor  
& Members of the Town Council  
Jonesville, LA

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, and each major fund of the Town of Jonesville, 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 Jonesville's basic financial statements and have issued our report thereon dated April 29, 2022.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Jonesville'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 Jonesville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Jonesville's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item [2021-2 Reconciling Ticket Revenue with Collections Reports] to be material weaknesses.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Jonesville’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 financial statements. 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 test disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items: **2021-1 Unremitted Traffic Ticket Fees, 2021-4 Deposits in Excess of FDIC & Pledged Securities Coverage, and 2021-5 Annual Filing of Financial Statements.**

### **The Town of Jonesville’s Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Jonesville’s response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Town of Jonesville’s response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*The Vercher Group*

Jena, Louisiana  
April 29, 2022

**TOWN OF JONESVILLE  
TOWN OF JONESVILLE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COST  
For the Year Ended June 30, 2021**

We have audited the basic financial statements of the Town of Jonesville, Louisiana, as of and for the year ended June 30, 2021, and have issued our report thereon dated April 29, 2022. We conducted our audit in accordance with generally accepted auditing standards and the standards in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Section I - Summary of Auditor's Results**

Our audit of the financial statements as of June 30, 2021, resulted in an unmodified opinion.

**a. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses  Yes

Significant Deficiencies  Yes

Compliance

Compliance Material to Financial Statements  Yes

**b. Federal Awards (Not Applicable)**

Internal Control

Material Weaknesses  Yes

Other Conditions  Yes

Type of Opinion on Compliance Unmodified   
For Major Programs Disclaimer

Qualified   
Adverse

Are the findings required to be reported in accordance with Uniform Guidance?

Yes

**c. Identification of Major Programs:**

CFDA Number (s)	Name Of Federal Program (or Cluster)
-----------------	--------------------------------------

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance?  Yes  No

**TOWN OF JONESVILLE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)**  
**For the Year Ended June 30, 2021**

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**Section II – Financial Statement Findings**

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**2021-1 Unremitted Traffic Ticket Fees (Compliance Finding)**

**Condition:** During our audit we noted that the Town had not remitted certain fees collected for traffic tickets on behalf of different state agencies for several months.

**Criteria:** The Louisiana Legislature imposes additional fees on traffic violations which are collected by municipalities and then remitted to the appropriate State agencies.

**Cause of Condition:** Nonpayment of fees collected on behalf of various State agencies.

**Potential Effect of Condition:** Potential compliance violation.

**Recommendation:** We recommend that the Town report and remit traffic fees in a timely manner.

**Client Response and Corrective Action:** Management has remitted all collection fees due for fiscal year 2021 and will remain current on all fees remitted to state agencies.

**2021-2 Reconciling Ticket Revenue with Collection Reports (Internal Control)**

**Condition:** While performing audit procedures on the Town's revenue, we were unable to reconcile the Town's ticket revenue per the collection reports to revenue on the Town's financial statements.

**Criteria:** Good internal controls allow for a reconciliation of revenue collected and posted to the Town's financial statements and revenue per the Town's collection reports generated by the collection software.

**Cause of Condition:** Not separating bonds receipts from fine receipts and reconciling reports each month.

**Effect of Condition:** Potential incorrect reporting of collection reports.

**Recommendation:** We recommend that management monitor its' software and update when necessary. We also recommend management print monthly collection reports and reconcile with monthly financial reports and separate receipts for bonds and fines.

**Client Response and Corrective Action:** Management will also print monthly collection reports and reconcile with monthly financial reports and separate receipt books for collections.

**TOWN OF JONESVILLE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)**  
**For the Year Ended June 30, 2021**

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**Section II – Financial Statement Findings – continued**

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**2021-4 Deposits in Excess of FDIC & Pledged Securities Coverage (Compliance Finding)**

**Condition:** Bank deposits at Catahoula LaSalle Bank were under secured by \$348,703 as of June 30, 2021.

**Criteria:** State law requires banks to pledge securities to secure account balances in excess of FDIC coverage.

**Cause of Condition:** Oversight by bank.

**Potential Effect of Condition:** Loss to the Town in the event of a bank failure.

**Recommendation:** The Town’s accounting department should contact its bank periodically to determine that account balances are properly secured.

**Client Response & Corrective Action:** The Town’s accounting department will periodically contact the bank to determine that bank accounts are fully secured.

**2021-5 Annual Filing of Financial Statements (Compliance Finding)**

**Condition:** The Town did not file their financial statements with the Legislative Auditor on a timely basis.

**Criteria:** (Required for financial audits performed under *Government Auditing Standards*): LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor’s Office within six months of the entity’s year end closing.

**Cause of Condition:** Not having the financial statements completed on time.

**Potential Effect of Condition:** Potential compliance violation and a freeze on grant funding.

**Recommendation:** The Town should have their audit completed in time to file with the Legislative Auditor’s Office within six months of the Town’s year end closing.

**Client Response and Corrective Action:** The Town will have their audit completed in time to file with the Legislative Auditor’s Office within six months of the Town’s year end closing.

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**Section III Federal Awards Findings and Questioned Costs**

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Not applicable.

**TOWN OF JONESVILLE, LOUISIANA**  
**MANAGEMENT'S CORRECTIVE ACTION**  
**FOR CURRENT YEAR AUDIT FINDINGS**

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**FINDINGS:**

**2021-1 Unremitted Traffic Ticket Fees**

*Finding:* During our audit we noted that the Town had not remitted certain fees collected for traffic tickets on behalf of different state agencies for several months.

*Corrective Action:* Management has remitted all collection fees due for fiscal year 2021 and will remain current on all fees remitted to state agencies.

*Contact Person:* Hiram Evans

*Anticipated Completion Date:* June 30, 2022

**2021-2 Reconciling Ticket Revenue with Collection Reports**

*Findings:* While performing audit procedures on the Town's revenue, we were unable to reconcile the Town's ticket revenue per the collection reports to revenue on the Town's financial statements.

*Corrective Action:* Management will also print monthly collection reports and reconcile with monthly financial reports, and separate receipt books for collections.

*Contact Person:* Hiram Evans

*Anticipated Completion Date:* June 30, 2022

**2021-4 Deposits in Excess of FDIC & Pledged Securities Coverage**

*Findings:* Bank deposits at Catahoula LaSalle Bank were under secured by \$348,703 as of June 30, 2021.

*Corrective Action:* The Town's accounting department will periodically contact the bank to determine that bank accounts are fully secured

*Contact Person:* Hiram Evans

*Anticipated Completion Date:* June 30, 2022

**TOWN OF JONESVILLE, LOUISIANA**  
**MANAGEMENT'S CORRECTIVE ACTION**  
**FOR CURRENT YEAR AUDIT FINDINGS**

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**2021-5 Annual Filing of Financial Statements**

*Findings:* The Town did not timely file their financial statements with the Legislative Auditor on a timely basis.

*Corrective Action:* The Town will have their audit completed in time to file with the Legislative Auditor's Office within six months of the Town's year end closing.

*Contact Person:* Hiram Evans

*Anticipated Completion Date:* June 30, 2022

John R. Vercher C.P.A.  
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.  
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.  
davidvercher@centurytel.net

## **THE VERCHER GROUP**

*A Professional Corporation of  
Certified Public Accountants*

**P.O. Box 1608  
1737 N 2<sup>nd</sup> St. – Suite A**

**Jena, Louisiana 71342**

**Tel: (318) 992-6348**

**Fax: (318) 992-4374**

### MEMBERS

American Institute of  
Certified Public Accountants

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## **MANAGEMENT LETTER COMMENTS**

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During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Town's plan for corrective action.

### **CURRENT YEAR MANAGEMENT LETTER COMMENTS**

#### **2021-3 Special Revenue Fund Transfers**

**Condition:** The Town transferred restricted funds out of the special revenue fund to reimburse general fund for street repair/improvements expenditures.

**Criteria:** The special revenue fund is only to pay interest and principal on the bonds issued and any surplus may be used by the Town for any of the purposes for which the tax is authorized, or for the purpose of retiring bonds in advance of their maturities.

**Cause of Condition:** Town unaware of restricted fund requirements.

**Effect of Condition:** Potential improper usage of restricted funds.

**Recommendation:** We recommend the Town only use the restricted funds for debt service and street repair/improvements expenditures directly from the special revenue fund.

**Client Response:** The Town will only use the restricted funds for debt service and street repair/improvements expenditures directly from the special revenue fund.

**TOWN OF JONESVILLE, LOUISIANA**  
**June 30, 2021**

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**MANAGEMENT'S SUMMARY**  
**OF PRIOR YEAR FINDINGS**

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Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana 70804-9397

The management of the Town of Jonesville, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2020.

**PRIOR YEAR FINDINGS**

**2020-1 Budget Variance (Resolved)**

**Condition:** The Town had an unfavorable expenditure variance of \$187,469 or 12.4% in its governmental fund budget for the year ended June 30, 2020.

**Criteria:** The Budget Act requires that budgets be amended when the variance exceeds 5%.

**Cause of Condition:** The Town did not amend the original budget.

**Effect of Condition:** The general fund having an unfavorable expenditure variance and violating the Budget Act.

**Recommendation:** The Town should amend its budget when it exceeds a 5% variance.

**Client Response:** The Town will amend its budget when it exceeds a 5% variance.

**2020-2 Bond Reserve Accounts Required by Bond Covenants (Resolved)**

**Condition:** The Town did not maintain some of its bond reserve accounts as required by its bond covenants.

**Criteria:** The Town has multiple bond indentures which require bond reserve accounts to be funded.

**Cause of Condition:** The Town over/underfunding reserve accounts.

**Effect of Condition:** Potential noncompliance with bond indentures.

**Recommendation:** The Town should review bond covenants and maintain its reserve accounts in accordance with bond indenture requirements.

**TOWN OF JONESVILLE, LOUISIANA**  
**June 30, 2021**

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**MANAGEMENT'S SUMMARY**  
**OF PRIOR YEAR FINDINGS**

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**PRIOR YEAR FINDINGS**

**Client Response:** The Town will review bond covenants and fund reserve accounts appropriately going forward.

**2020-3 Restricted Cash and Customer Deposits Liability (Resolved)**

**Condition:** The Town had an electric customer deposit liability of \$131,794 with only \$125,290 in restricted cash.

**Criteria:** The Town should have enough restricted cash to at least equal the customer deposit liability.

**Cause of Condition:** Not restricting cash to cover customer deposits.

**Effect of Condition:** Not having sufficient restricted cash to cover customer deposit liability.

**Recommendation:** The Town should transfer funds to the restricted accounts to cover the customer deposit liability and monitor these accounts periodically.

**Client Response:** The Town will transfer funds to the restricted accounts to cover the customer deposit liability and monitor these accounts periodically.

**2020-4 Special Revenue Fund Transfers (Unresolved)**

**Condition:** The Town transferred restricted funds out of the special revenue fund to reimburse general fund for street repair/improvements expenditures.

**Criteria:** The special revenue fund is only to pay interest and principal on the bonds issued and any surplus may be used by the Town for any of the purposes for which the tax is authorized, or for the purpose of retiring bonds in advance of their maturities.

**Cause of Condition:** Town unaware of restricted fund requirements.

**Effect of Condition:** Potential improper usage of restricted funds.

**Recommendation:** We recommend the Town only use the restricted funds for debt service and street repair/improvements expenditures directly from the special revenue fund.

**Client Response:** The Town will only use the restricted funds for debt service and street repair/improvements expenditures directly from the special revenue fund.