

TOWN OF ALBANY, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Town of Albany
Annual Financial Statements
As of and for the Year Ended June 30, 2023
With Supplemental Information Schedules

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Annual Financial Statements
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With Supplemental Information Schedules

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Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehrlich, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA



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Independent Auditor's Report

The Honorable Mayor Eileen Bates-McCarroll
and Members of the Town Council
Town of Albany, Louisiana

Report on the Audit of 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 Albany, Louisiana as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Albany, Louisiana'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 Albany, Louisiana as of June 30, 2023, 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 *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 Albany, Louisiana 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.

Emphasis of Matter – Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the Town of Albany, Louisiana adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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.

Town of Albany, Louisiana

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 Albany, 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 judgment 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 judgment 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 Albany's 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Albany, Louisiana'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 on pages 5 – 12 and 44 – 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

Town of Albany, Louisiana

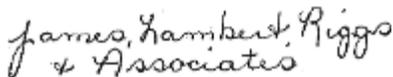
information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Albany, Louisiana’s basic financial statements. The Combining Schedule of Revenues, Expenses, and Changes in Net Position; the Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Water Utility System; the Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Sewer Utility System; the Schedule of Water and Sewer Rates; the Schedule of Number of Customers; the Schedule of Insurance; the Schedule of Compensation Paid to Board Members; the Schedule of Compensation, Benefits, and Other Payments to Agency Head; and the Schedule of Justice System Funding – Collecting / Disbursing Entity are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedule of Revenues, Expenses, and Changes in Net Position; the Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Water Utility System; the Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Sewer Utility System; the Schedule of Water and Sewer Rates; the Schedule of Number of Customers; the Schedule of Insurance; the Schedule of Compensation Paid to Board Members; the Schedule of Compensation, Benefits, and Other Payments to Agency Head; the Schedule of Justice System Funding – Collecting / Disbursing Entity; and the Schedule of Expenditures of Federal Awards 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 December 7, 2023, on our consideration of the Town of Albany, Louisiana’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Albany, Louisiana’s 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 Albany, Louisiana’s internal control over financial reporting and compliance.



James Lambert Riggs and Associates, Inc.
Hammond, Louisiana
December 7, 2023

Required Supplemental Information (Part I)
Management's Discussion and Analysis

Town of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2023

Introduction

The Town of Albany (the Town) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments* (GASB 34), as amended. The amendment of GASB 34, including the adoption of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and applicable standards are more fully described in Footnote 1 – *Summary of Significant Accounting Policies*.

The Town's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any significant variations from the Town's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Town's financial statements in this report.

Financial Highlights

- At June 30, 2023, the Town's assets exceeded its liabilities by \$11,161,540 (net position). Of this amount, \$4,073,124 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens.
- For the year ended June 30, 2023, the Town's total net position increased by \$1,051,959.
- At June 30, 2023, the Town's governmental funds reported a combined ending fund balance of \$529,473, an increase of \$123,036 for the year. Of this amount, approximately 97% or \$511,213 is available for spending at the Town's discretion (unassigned fund balances).
- At June 30, 2023, the Town's proprietary fund reported ending net position of \$8,946,117, an increase of \$1,157,908 for the year. Of this amount, approximately 39 percent or \$3,507,227 is available for spending at the Town's discretion (unrestricted net position).

Overview of the Annual Financial Report

The financial statement focus is on both the Town as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Town's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Town's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Town of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2023

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support are presented in separate columns along with a total column for the primary government. If the Town determines that presentation of a component unit (which are other governmental units for which the Town can exercise significant influences or for which the Primary Government financial statements would be misleading if component unit information is not presented) is necessary to allow the reader to determine the relationship of the component unit and primary government, the component unit information is presented in a separate column of the financial statements or in a separate footnote. For the current fiscal year, the Town of Albany has no component units.

The Statement of Net Position presents information on the Town's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, which are supported by the Town's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and / or subsidy to various business-type activities.

In both of the government-wide financial statements, the Town's activities are divided into two types:

Governmental activities – Most of the Town's basic services are reported here, including general government, public safety, streets, and sanitation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, and fines.

Business-type activities – The Town charges a fee to customers to help it cover all of the cost of the services provided. The Town's water and sewer utility systems are reported in this section.

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 and legal requirements. The Town uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Town of Albany, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2023**

Governmental funds are used to account for most of the Town's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

Proprietary funds account for water and sewer utility services provided by the Town to its customers. Proprietary funds statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Town's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Town of Albany, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2023**

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Town's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position in this report.

**Net Position
2023 and 2022**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u> (Restated)	<u>2023</u>	<u>2022</u> (Restated)
Assets:						
Current and Other Assets	\$ 625,965	\$ 751,720	\$ 3,748,169	\$ 3,461,838	\$ 4,374,134	\$ 4,213,558
Capital Assets	1,646,329	1,629,242	9,244,981	8,465,882	10,891,310	10,095,124
Total Assets	<u>2,272,294</u>	<u>2,380,962</u>	<u>12,993,150</u>	<u>11,927,720</u>	<u>15,265,444</u>	<u>14,308,682</u>
Liabilities:						
Long-Term Debt Outstanding	-	-	3,744,192	3,892,703	3,744,192	3,892,703
Other Liabilities	56,871	59,590	302,841	246,808	359,712	306,398
Total Liabilities	<u>56,871</u>	<u>59,590</u>	<u>4,047,033</u>	<u>4,139,511</u>	<u>4,103,904</u>	<u>4,199,101</u>
Net Position:						
Net Investment in Capital Assets	1,646,329	1,629,242	5,389,424	4,505,087	7,035,753	6,134,329
Restricted	3,197	8,269	49,466	26,628	52,663	34,897
Unrestricted	565,897	683,861	3,507,227	3,256,494	4,073,124	3,940,355
Total Net Position	<u>\$ 2,215,423</u>	<u>\$ 2,321,372</u>	<u>\$ 8,946,117</u>	<u>\$ 7,788,209</u>	<u>\$ 11,161,540</u>	<u>\$ 10,109,581</u>

Approximately 63.04% of the Town's net position reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately .47% of the Town's net position represents resources that are subject to external restriction on how they may be used. The Town's restricted net position consists of cash reserves required by revenue bond agreements and cash for customer deposits net of corresponding liabilities.

Approximately 36.49% of the Town's net position are unrestricted and may be used to meet the Town's ongoing obligations to its citizens.

Town of Albany, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2023**

At the end of the current fiscal year, the Town was able to report positive balances in all three categories of net position, both for the Town as a whole, as well as for separate governmental and business-type activities. The same held true for the prior fiscal year.

The Town's activities increased its total net position by \$1,051,959 with governmental activities decreasing net position by \$105,949 and business-type activities increasing net position by \$1,157,908.

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the Town's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities in this report.

**Changes in Net Position
For the years ended June 30, 2023 and 2022**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u> (Restated)	<u>2023</u>	<u>2022</u> (Restated)
Revenues:						
Program Revenues:						
Charges for Services	\$ 184,959	\$ 208,430	\$ 1,667,449	\$ 1,625,006	\$ 1,852,408	\$ 1,833,436
Operating Grants and Contributions	54,113	41,943	-	-	54,113	41,943
Capital Grants and Contributions	121,500	33,284	171,031	1,243,751	292,531	1,277,035
General Revenues	1,109,819	1,208,884	108,725	5,450	1,218,544	1,214,334
Total Revenues	<u>1,470,391</u>	<u>1,492,541</u>	<u>1,947,205</u>	<u>2,874,207</u>	<u>3,417,596</u>	<u>4,366,748</u>
Expenses:						
Governmental Activities	1,136,674	1,135,830	-	-	1,136,674	1,135,830
Business-Type Activities	-	-	1,228,963	1,131,891	1,228,963	1,131,891
Total Expenses	<u>1,136,674</u>	<u>1,135,830</u>	<u>1,228,963</u>	<u>1,131,891</u>	<u>2,365,637</u>	<u>2,267,721</u>
Change in Net Position Before Transfers and Contributions	333,717	356,711	718,242	1,742,316	1,051,959	2,099,027
Transfers (Out) In	<u>(439,666)</u>	<u>-</u>	<u>439,666</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>(105,949)</u>	<u>356,711</u>	<u>1,157,908</u>	<u>1,742,316</u>	<u>1,051,959</u>	<u>2,099,027</u>
Net Position, Beginning	2,321,372	1,964,661	7,788,209	5,963,652	10,109,581	7,928,313
Prior Period Adjustments (Note 18)	-	-	-	82,241	-	82,241
Total Adjusted Net Position, Beginning	<u>2,215,423</u>	<u>2,321,372</u>	<u>8,946,117</u>	<u>6,045,893</u>	<u>10,109,581</u>	<u>8,010,554</u>
Net Position, Ending	<u>\$ 2,215,423</u>	<u>\$ 2,321,372</u>	<u>\$ 8,946,117</u>	<u>\$ 7,788,209</u>	<u>\$ 11,161,540</u>	<u>\$ 10,109,581</u>

Town of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2023

Governmental Activities

The Town's governmental net position decreased by \$105,949 to \$2,215,423. The Town received its second payment of \$214,679 from the American Rescue Plan Act. The Town transferred \$439,666, from the American Rescue Plan, to its Enterprise Fund for waterline improvements. The Town received \$121,500 of capital grants. \$100,000 of this amount was from Act 170 of the state legislative session used for police department vehicles.

Business-Type Activities

The Town's business-type net position increased by \$1,157,908 to \$8,946,117. The general revenues increased by \$103,275 due to the increase in interest rates. The Town received \$171,031 of capital grants. \$150,000 of this amount was from Act 170 of the state legislative session used for equipment in the water department.

Fund Financial Analysis

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

Governmental Funds

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

At the end of the current year, the Town's governmental funds reported combined ending fund balances of \$529,473. Of the total balance, \$511,213 is unassigned and available for spending at the Town's discretion and \$3,197 is restricted for the J&N Park. This represents a decrease of \$123,036, or approximately 23% of the prior year's ending fund balances.

The general fund is the chief operating fund of the Town.

Proprietary Funds

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Town of Albany, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2023**

General Fund Budgetary Highlights

Significant variations between original and final budget amounts are as follows:

- The Town increased its original budget for Sales and Use Taxes by \$21,600 due to increased sales taxes throughout the year.
- The Town budgeted for the American Rescue Plan Act of \$214,700.
- The Town created a budget for capital outlay for the street department for \$25,400. This was for the purchase of a utility track vehicle.

Significant variations from the general fund's final budget amounts and actual amounts are as follows:

- The capital outlay of \$11,589 in general government was not budgeted. This amount was for property tax software.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounts to \$10,891,310 (net of depreciation). The total increase in the Town's investment in capital assets for the current fiscal year was \$796,185 (net of depreciation).

Major capital asset events during the current year included the construction of the new wastewater treatment plant of \$1,429,827 during the June 30, 2023 fiscal year.

The following table provides a summary of the Town's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 9 to the financial statements in this report.

**Capital Assets (Net of Depreciation)
2023 and 2022**

Capital Assets	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 43,850	\$ 43,850	\$ 130,429	\$ 130,429	\$ 174,279	\$ 174,279
Construction in Progress	-	-	878,757	1,487,102	878,757	1,487,102
Buildings	1,092,190	1,092,190	236,605	108,518	1,328,795	1,200,708
Improvements	163,868	163,868	-	-	163,868	163,868
Vehicles and Equipment	813,589	654,900	541,894	332,147	1,355,483	987,047
Infrastructure - Sidewalks	322,153	322,153	-	-	322,153	322,153
Water Utility System	-	-	7,949,557	7,928,526	7,949,557	7,928,526
Sewer Utility System	-	-	5,928,452	4,498,625	5,928,452	4,498,625
Subtotal Capital Assets	2,435,650	2,276,961	15,665,694	14,485,347	18,101,344	16,762,308
Less: Accumulated Depreciation	(789,322)	(647,719)	(6,420,713)	(6,019,465)	(7,210,035)	(6,667,184)
Capital Assets, Net	\$ 1,646,328	\$ 1,629,242	\$ 9,244,981	\$ 8,465,882	\$ 10,891,309	\$ 10,095,124

Town of Albany, Louisiana

**Management’s Discussion and Analysis
As of and for the Year Ended June 30, 2023**

Long-Term Debt

At June 30, 2023, the Town had total debt outstanding of \$3,785,000. Of this total, \$155,000 is due within one year and \$3,630,000 is due within greater than one year. The following table provides a summary of the Town’s outstanding debt at the end of the current year as compared to the prior year. For more detailed information, see Note 11 to the financial statements in this report.

	Governmental Activities		Business-Type Activities		Total Long-Term Obligations
	Capital Leases	Revenue Bonds	Capital Leases	Revenue Bonds	
Current Portion	\$ -	\$ -	\$ -	\$ 155,000	\$ 155,000
Long-Term Portion	-	-	-	3,630,000	3,630,000
	\$ -	\$ -	\$ -	\$ 3,785,000	\$ 3,785,000

Other Factors Affecting the Town

The Town of Albany’s management approach is conservative. When possible, the Mayor and Council attempt to provide services for the Town based on existing revenues and to finance long-term projects only when absolutely necessary.

Contacting the Town’s Financial Management

This financial report is designed to provide the Town’s citizens, taxpayers, creditors and investors with a general overview of the Town’s finances and show the Town’s accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Town of Albany, Post Office Box 1000, Albany, Louisiana 70711, telephone (225) 567-1101.

Basic Financial Statements

Government-Wide Financial Statements

Town of Albany, Louisiana

Statement A

Statement of Net Position
As of June 30, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 648,495	\$ 2,948,547	\$ 3,597,042
Receivables, Net:			
Intergovernmental	55,466	-	55,466
Accounts	-	214,872	214,872
FEMA	39,621	155,054	194,675
Franchise Taxes	13,421	-	13,421
Insurance Premium Tax	7,097	-	7,097
Other Receivable	138		138
Prepaid Insurance	15,063	21,863	36,926
Internal Balances	(156,533)	156,533	-
Inventory	-	48,097	48,097
Total Current Assets	<u>622,768</u>	<u>3,544,966</u>	<u>4,167,734</u>
Restricted Assets:			
Restricted Cash and Cash Equivalents	<u>3,197</u>	<u>182,173</u>	<u>185,370</u>
Total Restricted Assets	<u>3,197</u>	<u>182,173</u>	<u>185,370</u>
Capital Assets:			
Land	43,850	130,429	174,279
Construction in Progress	-	878,757	878,757
Capital Assets, Net	<u>1,602,479</u>	<u>8,235,795</u>	<u>9,838,274</u>
Total Capital Assets	<u>1,646,329</u>	<u>9,244,981</u>	<u>10,891,310</u>
Other Assets			
Bond Issue Insurance Costs	-	21,030	21,030
Total Other Assets	<u>-</u>	<u>21,030</u>	<u>21,030</u>
Total Assets	<u>2,272,294</u>	<u>12,993,150</u>	<u>15,265,444</u>
Liabilities			
Current Liabilities:			
Accounts Payable	27,008	28,005	55,013
Accrued Interest	-	14,409	14,409
Accrued Salaries	10,432	5,900	16,332
Accrued Vacation	15,643	8,642	24,285
Other Accrued Liabilities	3,788	1,813	5,601
Construction Payable	-	65,683	65,683
Retainage Payable	-	45,682	45,682
Customer Deposits	-	132,707	132,707
Bonds Payable	-	155,000	155,000
Total Current Liabilities	<u>56,871</u>	<u>457,841</u>	<u>514,712</u>
Long Term Liabilities:			
Bonds Payable	<u>-</u>	<u>3,589,192</u>	<u>3,589,192</u>
Total Long Term Liabilities	<u>-</u>	<u>3,589,192</u>	<u>3,589,192</u>
Total Liabilities	<u>56,871</u>	<u>4,047,033</u>	<u>4,103,904</u>
Net Position			
Net Investment in Capital Assets	1,646,329	5,389,424	7,035,753
Restricted for:			
Capital Projects and Debt Service	3,197	49,466	52,663
Unrestricted	<u>565,897</u>	<u>3,507,227</u>	<u>4,073,124</u>
Total Net Position	<u>\$ 2,215,423</u>	<u>\$ 8,946,117</u>	<u>\$ 11,161,540</u>

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement B

Statement of Activities
For the Year Ended June 30, 2023

	Program Revenues				Net (Expenses) Revenues	Net (Expenses) Revenues and Changes of Primary Government		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions		Governmental Activities	Business- Type Activities	Total
Governmental Activities								
General Government	\$ 320,049	\$ -	\$ 9,392	\$ -	\$ (310,657)	\$ (310,657)	\$ -	\$ (310,657)
Public Safety	616,562	184,959	44,721	100,000	(286,882)	(286,882)	-	(286,882)
Public Works - Streets	188,503	-	-	21,500	(167,003)	(167,003)	-	(167,003)
Park	7,660	-	-	-	(7,660)	(7,660)	-	(7,660)
Court Cost	3,900	-	-	-	(3,900)	(3,900)	-	(3,900)
Total Governmental Activities	<u>\$ 1,136,674</u>	<u>\$ 184,959</u>	<u>\$ 54,113</u>	<u>\$ 121,500</u>	<u>\$ (776,102)</u>	<u>(776,102)</u>	<u>-</u>	<u>(776,102)</u>
Business-type Activities								
Water	\$ 877,468	\$ 1,453,921	\$ -	\$ 171,031	\$ 747,484	-	747,484	747,484
Sewer	351,495	213,528	-	-	(137,967)	-	(137,967)	(137,967)
Total Business-type Activities	<u>\$ 1,228,963</u>	<u>\$ 1,667,449</u>	<u>\$ -</u>	<u>\$ 171,031</u>	<u>\$ 609,517</u>	<u>-</u>	<u>609,517</u>	<u>609,517</u>
General Revenues:								
Taxes:								
						44,303	-	44,303
						630,533	-	630,533
						64,825	-	64,825
						60,527	-	60,527
						4,493	-	4,493
						57,917	-	57,917
						13,380	-	13,380
						214,679	-	214,679
						18,821	108,725	127,546
						341	-	341
Transfers						(439,666)	439,666	-
Total General Revenues & Transfers						<u>670,153</u>	<u>548,391</u>	<u>1,218,544</u>
Change in Net Position						<u>(105,949)</u>	<u>1,157,908</u>	<u>1,051,959</u>
Net Position - Beginning						<u>2,321,372</u>	<u>7,689,511</u>	<u>10,010,883</u>
Prior Period Adjustment (See Note 18)						-	98,698	98,698
Total Adjusted Net Position, Beginning						<u>2,321,372</u>	<u>7,788,209</u>	<u>10,109,581</u>
Net Position - Ending						<u>\$ 2,215,423</u>	<u>\$ 8,946,117</u>	<u>\$ 11,161,540</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

Town of Albany, Louisiana
Balance Sheet, Governmental Funds
As of June 30, 2023

Statement C

	General Fund	Total Governmental Funds
Assets		
Cash and Equivalents	\$ 648,495	\$ 648,495
Receivables, Net:		
FEMA	39,621	39,621
Franchise Taxes	13,421	13,421
Sales Taxes	54,308	54,308
Insurance Premium Tax	7,097	7,097
Other	1,296	1,296
Prepaid Insurance	15,063	15,063
Restricted Cash	3,197	3,197
Total Assets	\$ 782,498	\$ 782,498
 Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	\$ 27,008	\$ 27,008
Accrued Salaries	10,432	10,432
Accrued Vacation	15,643	15,643
Other Accrued Liabilities	3,788	3,788
Due to Enterprise Fund	156,533	156,533
Total Liabilities	213,404	213,404
 Deferred Inflows of Resources		
Uncollected Grant Receivable	39,621	39,621
Total Deferred Inflows of Resources	39,621	39,621
 Fund Balance:		
Nonspendable, Prepaid Insurance	15,063	15,063
Restricted	3,197	3,197
Unassigned	511,213	511,213
Total Fund Balance	529,473	529,473
 Total Liabilities and Fund Balance	\$ 782,498	\$ 782,498

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement D

**Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of June 30, 2023**

Fund Balances, Total Governmental Funds (Statement C) \$ 529,473

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

Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.

Governmental capital assets net of depreciation 1,646,329

Deferred inflows of resources - uncollected grant receivables are not reported on government-wide financial statements 39,621

Net Position of Governmental Activities (Statement A) \$ 2,215,423

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement E

**Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2023**

	General Fund	Total Governmental Funds
Revenues		
Taxes	\$ 800,188	\$ 800,188
Licenses and Permits	57,917	57,917
Intergovernmental	47,693	47,693
FEMA Reimbursements	13,380	13,380
American Rescue Funds	214,679	214,679
Fines and Forfeitures	184,959	184,959
State and Local Grants	131,913	131,913
Interest	18,821	18,821
Donations	500	500
Miscellaneous	341	341
Total Revenues	1,470,391	1,470,391
Expenditures		
General Government	275,099	275,099
Public Safety:		
Police	552,480	552,480
Fire	5,000	5,000
Mayor's Court	3,900	3,900
Public Works - Streets	153,160	153,160
Park Expenditures	5,433	5,433
Capital Outlays	158,689	158,689
Total Expenditures	1,153,761	1,153,761
Excess (Deficiency) Revenue Other Expenditures and Other Uses	316,630	316,630
Other Financing Sources		
Transfer to Enterprise Fund	(439,666)	(439,666)
Total Other Financing Sources	(439,666)	(439,666)
Net Change in Fund Balance	(123,036)	(123,036)
Fund Balance, Beginning	652,509	652,509
Fund Balance, Ending	\$ 529,473	\$ 529,473

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement F

**Reconciliation of the Statement Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023**

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ (123,036)

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

Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. These differences consist of:

Capital Outlay	158,689
Depreciation Expense	(141,602)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in Uncollected Grant Receivable	-
--	---

Change in Net Position of Governmental Activities, Statement B \$ (105,949)

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement G

**Statement of Net Position – Proprietary Funds
As of June 30, 2023**

	Enterprise Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 2,948,547
Receivables, Net:	
Accounts	214,872
FEMA Receivable	155,054
Prepaid Expenses	21,863
Inventory	48,097
Due from General Fund	156,533
Total Current Assets	3,544,966
Restricted Assets:	
Restricted Cash and Cash Equivalents	182,173
Total Restricted Assets	182,173
Property, Plant, and Equipment	
Land	130,429
Construction in Progress	878,757
Property, Plant and Equipment, Net	8,235,795
Total Property, Plant, and Equipment	9,244,981
Other Assets	
Bond Issue Insurance Costs	21,030
Total Other Assets	21,030
Total Assets	12,993,150
Liabilities	
Current Liabilities (Payable From Current Assets):	
Accounts Payable	28,005
Accrued Salary	5,900
Accrued Vacation	8,642
Other Accrued Payables	1,813
Construction Payable	65,683
Retainage Payable	45,682
Total Current Liabilities (Payable From Current Assets)	155,725
Current Liabilities (Payable From Restricted Assets):	
Customer Deposits	132,707
Accrued Interest	14,409
Revenue Bonds Payable	155,000
Total Current Liabilities (Payable From Restricted Assets)	302,116
Long Term Liabilities:	
Bonds Payable	3,589,192
Total Long Term Liabilities	3,589,192
Total Liabilities	4,047,033
Net Position	
Net Investment in Capital Assets	5,389,424
Restricted for:	
Debt Service	49,466
Unrestricted	3,507,227
Total Net Position	\$ 8,946,117

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement H

**Statement of Revenues, Expenses and
Change of Net Position – Proprietary Funds
For the Year Ended June 30, 2023**

	Enterprise Fund
Operating Revenues	
Water Sales	\$ 1,323,966
Sewer Service Charges	202,626
Other	129,955
Total Operating Revenues	1,656,547
Operating Expenses	
Salaries and Wages	235,917
Bad Debt	8,045
Computer	571
Contract Service	12,130
Depreciation	401,248
DHH Fees	27,123
Insurance	21,413
Office Supplies	6,975
Payroll Taxes	18,032
Postage	14,434
Professional Fees	45,114
Repairs and Maintenance	80,263
Retirement	2,106
Supplies	135,079
Telephone	3,220
Training	3,694
Uniforms	9,387
Utilities	62,212
Vehicle Expenses	32,507
Workers Compensation	12,058
Other	6,991
Total Operating Expenses	1,138,519
Operating Income (Loss)	518,028
Nonoperating Revenues (Expenses)	
Interest Income	108,725
Bond Interest Expense	(90,444)
Billing Fees	10,902
Total Nonoperating Revenues (Expenses)	29,183
Income (Loss) Before Transfers & Capital Contributions	547,211
Transfers and Capital Contributions	
Capital Grants	171,031
Transfers from General Fund	439,666
Change in Net Position	1,157,908
Net Position, Beginning	7,689,511
Prior Period Adjustment (See Note 18)	98,698
Total Adjusted Net Position, Beginning	7,788,209
Total Net Position, Ending	\$ 8,946,117

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

Statement I

	Enterprise Fund
Cash Flows From Operating Activities	
Received From Customers	\$ 1,651,742
Received for Meter Deposit Fees	2,892
Payments for Operations	(500,491)
Payments to Employees	(255,841)
Net Cash Provided (Used) by Operating Activities	898,302
Cash Flows From Noncapital Financing Activities	
Billing Fees	10,902
(Payments for) Received from Interfund Services	261,794
Net Cash Provided (Used) by Noncapital Financing Activities	272,696
Cash Flows From Capital and Related Financing Activities	
Capital Grants Received	585,142
(Payments for) Capital Acquisitions	(1,137,074)
Principal (Repayments) Long Term Debt	(150,000)
Interest Payments for Long Term Debt	(89,455)
Net Cash Provided (Used) by Capital and Related Financing Activities	(791,387)
Cash Flows From Investing Activities	
Receipt of Interest	108,725
Net Cash Provided (Used) by Investing Activities	108,725
Net Cash Increase (Decrease) in Cash and Cash Equivalents	488,336
Cash and Cash Equivalents, Beginning of Year	2,642,384
Cash and Cash Equivalents, End of Year	\$ 3,130,720
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:	
Cash and Cash Equivalents, Unrestricted	\$ 2,948,547
Cash and Cash Equivalents, Restricted	182,173
Total Cash and Cash Equivalents	\$ 3,130,720

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

Statement I

		<u>Enterprise Fund</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating		
Operating Income (Loss)	\$	518,028
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating by Operating Activities:		
Depreciation		401,248
(Increase) decrease in Accounts Receivable		(4,805)
(Increase) decrease in Prepaid Expenses		(1,332)
(Increase) decrease in Inventory		(28,097)
Increase (decrease) in Accounts Payable		10,599
Increase (decrease) in Accrued Payables		(231)
Increase (decrease) in Customer Deposits		2,892
Net Cash Provided by Operating Activities	\$	<u><u>898,302</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2023

Introduction

The Town of Albany, Louisiana (formerly the Village of Albany) was incorporated October 7, 1953, under provision of the Lawrason Act (LSA RS 33:321). The Town operates under a Mayor / Board of Aldermen form of government. The Mayor and each of five councilmen are elected at large for four-year terms. The Mayor and Council are compensated each month; in addition, the Mayor receives a salary. The Town is located approximately 30 miles east of Baton Rouge, Louisiana, on LA Highway 43 (Montpelier Avenue) south of Interstate 12, with U.S. Highway 190 intersecting the northern part of the Town. The Town's total population was 1,235, as reported by the U.S. Census Bureau, Census 2020. The Town provides police protection, services to maintain and develop streets, drainage, and sanitation, general and administrative services, and utilities services for area residents. The Town provides services to 2,426 water customers and 533 sewer customers inside and outside of the Town limits. The Town employs sixteen full-time and one part-time employees in addition to the Mayor and Council.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of position and the statement of activities) report information on all non-fiduciary 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.

Governmental Accounting Standards Board (GASB) Statement No. 61 established criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provision of this statement, the Town of Albany is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 61, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Since the Town of Albany has no component units, these financial statements include only information on the primary government.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote K – Net Position and Fund Balance*. As required by the Governmental Accounting Standards Board (GASB), the Town

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2023

implemented GASB Statement No. 63 during the year ending June 30, 2013. The Town recorded deferred inflows of resources of \$39,621 in its general fund at June 30, 2023.

The Town has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The application of this standard to long-term debt offerings of the Town is more fully described in *Footnote J – Long-Term Debt Offerings*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and 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. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Town reports the following major proprietary fund:

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2023

The *Enterprise Funds* account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees, 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user charges for the services provided by the enterprise funds. Operating expenses for enterprise funds and internal service 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 non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

When restricted, committed, assigned, or unassigned fund balances are available for use, the Town considers amounts to have been spent first out of restricted funds, committed funds, then assigned funds, and finally unassigned funds as needed, unless the Town has provided otherwise in commitment or assignment actions.

C. Deposits and Investments

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

Investments for the Town are reported at fair market value. The state investment pool, LAMP, operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. Receivables and 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2023

governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
General Corporate Purposes	7.04 mills	7.04 mills	None

Sales and use taxes are levied at one percent for perpetuity. The proceeds of these sales and use taxes are dedicated to general corporate purposes.

E. Unearned Revenues

The Town reports unearned revenue on its government-wide and fund financial statements. Unearned revenues arise when potential revenue does not meet both “measurable” and “available” criteria for recognition in the current period (fund financial statements). Unearned revenues also arise when resources are unearned by the Town and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in / first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants.

H. 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 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 maintains a threshold level of \$500 or more for capitalizing capital assets.

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.

Town of Albany, Louisiana
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Major outlays for capital assets and improvements are capitalized as projects are constructed. Effective for the fiscal year 2021, the Town no longer capitalizes interest during the construction period on a prospective basis as per GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Improvements	5 - 40 Years
Vehicles and Equipment	5 - 15 Years
Infrastructure	20 - 40 Years
Water System	5 - 40 Years
Sewer System	10 - 40 Years

I. Compensated Absences

The Town has the following policy related to vacation and sick leave:

	<u>Years of Service</u>			
	<u>.5 - 2</u>	<u>2 - 10</u>	<u>10-20</u>	<u>Over 20</u>
Vacation Leave - Days Earned per Year	5	10	15	20

The Town employees may carry over 40 hours annually until the employee’s next anniversary date. The Mayor may approve additional carry over if job related circumstances prohibit an employee from using vacation leave. Unused vacation leave will be paid out upon termination.

Each employee earns sick leave for each month worked based on years of service. Sick leave is accumulated for a maximum of one thousand four hundred forty hours. Unused sick leave benefits will not be paid to employees while they are employed or upon termination of employment.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental fund when leave is taken.

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

J. Long-Term Debt Offerings

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. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65.

The Town has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, are revised. This standard was intended to complement GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65.

Town of Albany, Louisiana
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GASB Statement 23, as amended, establishes accounting and financial reporting for current refundings and advance refundings resulting in defeasance of debt. Refundings involve the issuance of new debt whose proceeds are used to repay previously issued (“old”) debt. The new debt proceeds may be used to repay the old debt immediately (a current refunding); or the new debt proceeds may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding).

For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Net Position and Fund Balance

GASB Statement No. 34, *Basic Financial Statements, Management’s Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position** – The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Component of Net Position** – The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- **Unrestricted Component of Net Position** – The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The Town adopted GASB 54 for the year ended June 30, 2011. As such, fund balances of governmental funds are classified as follows:

Town of Albany, Louisiana
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- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal vote of the Board, which is the highest level of decision-making authority for the Town.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board.
- **Unassigned.** These are all other spendable amounts. This also includes expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed, or assigned to those purposes.

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Town, which are either unusual in nature or infrequent in occurrence.

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount 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 reported period. Actual results could differ from those estimates.

N. Adoption of New Accounting Pronouncements

The Town adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to better meet the information needs of financial statements users by improving accounting and financial reporting for subscription-based information technology arrangements by governments. This Statement increases the usefulness of government's financial statements by requiring recognition of certain subscription-based information technology arrangements that previously were classified as operating costs and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a model for subscription-based information technology accounting based on the fundamental principle that subscription-based information technology arrangements are financings of the right to use an underlying IT asset. Under this Statement, a government is required to recognize a subscription liability and an intangible right to use subscription asset, and a lessor is required to recognize a subscription receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' subscription-based information technology activities.

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O. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Stewardship, Compliance, and Accountability

The Town uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits it to the Mayor and Town Council no later than fifteen days prior to the beginning of each fiscal year.
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 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 of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

For the year ended June 30, 2023, actual revenues and other sources exceeded budgeted revenues and other sources. The Town's actual expenditures were less than budgeted expenditures and other uses.

Town of Albany, Louisiana
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3. Cash and Cash Equivalents

At June 30, 2023, the Town has cash and cash equivalents (book balances) as follows:

	June 30, 2023
Cash on Hand	\$ 25
Demand Deposits	528,310
Louisiana Asset Management Pool (LAMP)	3,254,077
	\$ 3,782,412

These deposits are stated at cost, which approximates market. 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.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. The District does not have a formal policy for custodial risk. At June 30, 2023, the Town has \$3,767,289 in deposits. Collected bank balances, other than LAMP, consisted of \$513,212 in demand deposits. The demand deposits are secured by \$250,000 of federal deposit insurance. The remaining \$263,212 of deposits are exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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 Town that the fiscal agent has failed to pay deposited funds upon demand.

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The Town records its LAMP deposits within cash and cash equivalents.

The Town, at June 30, 2023, also recorded deposits related to its debt service fund. The deposits totaled \$43,620, which are for the Series 2020 Water & Sewer Refunding Bonds. Under the terms of the agreement, the bank maintains control of the funds and disburses at the Town's request. All funds are fully collateralized by the Trust Department of the respective bank.

4. Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Town or its agent in the Town's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Town's name

In accordance with GASB Codification Section I50.165, the investment in LAMP at June 30, 2023, is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is

Town of Albany, Louisiana
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in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investment in LAMP is stated at the value of the pool shares, which is the same as the fair value, and has been categorized as cash equivalents.

LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA RS 33:2955.

GASB 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAM by Standard and Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating / variable rate investments. The WAM for LAMP's total investments, as provided by LAMP, is 56 days as of June 30, 2023.

Foreign currency risk: Not applicable.

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with SEC as an investment company. LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by calling (800) 249-5267.

Interest Rate Risk: The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

5. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. Major receivables balances for the governmental activities include sales taxes, franchise taxes, occupational licenses, and fines. Business-type activities report utilities earnings as their major receivable.

Town of Albany, Louisiana
Notes to the Financial Statements
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In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise taxes, occupational licenses, fines, and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions, collectible but not available, are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available. Proprietary fund revenues consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

The Governmental Fund receivables at June 30, 2023 consist of the following:

Government Receivables	<u>General Fund</u>	<u>Total</u>
Taxes:		
Public Utility Franchise	\$ 13,421	\$ 13,421
Insurance Premium Tax	7,097	7,097
Sales and Use	54,308	54,308
Intergovernmental:		
State of Louisiana, Beer Tax	1,158	1,158
Fema Receivable	39,621	39,621
Other Receivable	138	138
Total Government Receivables	<u><u>\$ 115,743</u></u>	<u><u>\$ 115,743</u></u>

The Enterprise Fund accounts receivable at June 30, 2023 consist of the following:

	<u>Year Ended</u> <u>June 30, 2023</u>
Accounts Receivable	
Current	\$ 147,325
31 - 60 Days	(3,963)
61 - 90 Days	4,178
Over 90 Days	<u>68,007</u>
Subtotal	215,547
Less Allowance for Bad Debt	<u>(68,044)</u>
Accounts Receivables, Net	<u>147,503</u>
Accrued Billings	<u>67,369</u>
Total Accounts Receivable	<u><u>\$ 214,872</u></u>

The Town's Enterprise Fund currently has \$155,054 in FEMA Receivable for repairs to the sewer pond from the flood of 2016. On August 21, 2023, the Town received the full amount.

Town of Albany, Louisiana
Notes to the Financial Statements
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6. Interfund Receivables / Payables

Interfund receivables or payables in the fund financial statements were as follows as of June 30, 2023.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$	\$ 156,533
Enterprise Fund	156,533	
	<u>\$ 156,533</u>	<u>\$ 156,533</u>

These interfund balances were related to operating expenses for the enterprise fund paid out of the general fund. The Enterprise Fund has paid the balance owed to the General Fund.

7. Interfund Transfers

Transfer to and from other funds are as follows for the fiscal year:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 439,666
Enterprise Fund	439,666	-
	<u>\$ 439,666</u>	<u>\$ 439,666</u>

In 2023, the general fund transferred the American Rescue funding over to the Enterprise fund to help fund the new waterline project.

8. Restricted Assets

Restricted assets for the Enterprise Fund at June 30, 2023 were as follows:

	<u>June 30, 2023</u>
Restricted Cash and Cash Equivalents	
General Fund-Parks	\$ 3,197
Total Restricted Assets	<u>\$ 3,197</u>

Restricted assets for the Enterprise Fund at June 30, 2023 were as follows:

	<u>June 30 2023</u>
Restricted Cash and Cash Equivalents	
Customer Deposits	\$ 138,553
Debt Service Fund	43,618
Debt Service Reserve	2
Total Restricted Assets	<u>\$ 182,173</u>

Cash equal to customer deposits is restricted for repayment of such deposits.

Town of Albany, Louisiana
Notes to the Financial Statements
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9. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2023 for governmental activities is as follows:

Governmental Activities Capital Assets:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 43,850	\$ -	\$ -	\$ 43,850
Total Capital Assets Not Being Depreciated	<u>43,850</u>	<u>-</u>	<u>-</u>	<u>43,850</u>
Capital Assets Being Depreciated:				
Buildings	1,092,190	-	-	1,092,190
Improvements	163,868	-	-	163,868
Vehicles and Equipment	654,900	158,689	-	813,589
Infrastructure - Sidewalks	<u>322,153</u>	<u>-</u>	<u>-</u>	<u>322,153</u>
Total Capital Assets Being Depreciated	<u>2,233,111</u>	<u>158,689</u>	<u>-</u>	<u>2,391,800</u>
Less Accumulated Depreciation for:				
Buildings	(79,952)	(28,784)	-	(108,736)
Improvements	(12,148)	(8,000)	-	(20,148)
Vehicles and Equipment	(297,602)	(92,365)	-	(389,967)
Infrastructure - Sidewalks	<u>(258,017)</u>	<u>(12,453)</u>	<u>-</u>	<u>(270,470)</u>
Total Accumulated Depreciation	<u>(647,719)</u>	<u>(141,602)</u>	<u>-</u>	<u>(789,321)</u>
Total Capital Assets Being Depreciated, Net	<u>1,585,392</u>	<u>17,087</u>	<u>-</u>	<u>1,602,479</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 1,629,242</u>	<u>\$ 17,087</u>	<u>\$ -</u>	<u>\$ 1,646,329</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 44,950
Park	2,227
Public Safety	59,082
Public Works	<u>35,343</u>
	<u>\$ 141,602</u>

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2023

Capital assets and depreciation activity as of and for the year ended June 30, 2023 for business-type activities is as follows:

Business - Type Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 130,429	\$ -	\$ -	\$ 130,429
Construction in Progress	1,487,103	733,170	(1,341,516)	878,757
Total Capital Assets Not Being Depreciated	1,617,532	733,170	(1,341,516)	1,009,186
Capital Assets Being Depreciated:				
Buildings and Improvements	108,518	128,087	-	236,605
Vehicles and Equipment	332,146	209,748	-	541,894
Water Utility System	7,928,526	21,031	-	7,949,557
Sewer Utility System	4,498,625	1,429,827	-	5,928,452
Total Capital Assets Being Depreciated	12,867,815	1,788,693	-	14,656,508
Less Accumulated Depreciation for:				
Buildings and Improvements	(61,393)	(5,182)	-	(66,575)
Vehicles and Equipment	(272,550)	(35,901)	-	(308,451)
Water Utility System	(2,991,495)	(212,578)	-	(3,204,073)
Sewer Utility System	(2,694,027)	(147,587)	-	(2,841,614)
Total Accumulated Depreciation	(6,019,465)	(401,248)	-	(6,420,713)
Total Capital Assets Being Depreciated, Net	6,848,350	1,387,445	-	8,235,795
Total Business - Type Activities Capital Assets, Net	\$ 8,465,882	\$ 2,120,615	\$ (1,341,516)	\$ 9,244,981

Construction in progress consists of \$878,757. The Town has two projects ongoing as of June 30, 2023. The Town is constructing a chlorine contact chamber with an estimated total project of \$200,000. As of June 30, 2023, the Town has incurred costs of \$198,401 on the project. The Town is also constructing a waterline improvement project estimated to be \$814,315. As of June 30, 2023, the Town has incurred costs of \$680,356, which includes engineering fees.

10. Accounts, Salaries, and Other Payables

Short-term payables at June 30, 2023 are as follows:

	General Fund	Enterprise Fund	Total
Accounts	\$ 27,008	\$ 28,005	\$ 55,013
Accrued Interest	-	14,409	14,409
Accrued Payroll Taxes	3,788	-	3,788
Other Accrued Payables	-	1,813	1,813
Accrued Vacation	15,643	8,642	24,285
Accrued Salaries	10,432	5,900	16,332
Construction Payable	-	65,683	65,683
Retainage Payable	-	45,682	45,682
Total	\$ 56,871	\$ 170,134	\$ 227,005

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2023

11. Long-Term Obligations

A summary of long-term obligation transactions for the year ended June 30, 2023 for business-type activities is as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water and Sewer Revenue Refunding				
Bonds, Series 2020	\$ 3,935,000	\$ -	\$ (150,000)	\$ 3,785,000
Total Bonds	<u>3,935,000</u>	<u>-</u>	<u>(150,000)</u>	<u>3,785,000</u>
Less: Unamortized Discount	<u>42,297</u>	<u>-</u>	<u>(1,489)</u>	<u>40,808</u>
Total Long-Term Debt	<u>\$ 3,892,703</u>	<u>\$ -</u>	<u>\$ (148,511)</u>	<u>\$ 3,744,192</u>

Bonds Payable as of June 30, 2023 are as follows:

	<u>Bonds Payable End of Year</u>	<u>Due Within One Year</u>
Water and Sewer Revenue Refunding Bonds \$4,165,000		
Series 2020 Refunding bonds sold to private lender, Dated 11/14/2020		
due in semi- annual installments of principal and interest averaging \$191,190		
through 05/01/2050 interest at ranges from 2.00 to 2.64%	\$ 3,785,000	\$ 155,000
	<u>\$ 3,785,000</u>	<u>\$ 155,000</u>

On November 24, 2020, the Town issued Water and Sewer Revenue Refunding Bonds, Series 2020 in the amount of \$4,165,000. The purpose of the Series 2020 bonds were issued for the purposes of currently refunding the Town's (a) \$575,000 Water Revenue Bonds, Series 1988, (b) \$455,000 Sewer Revenue Bonds, Series 1993, (c) \$191,000 Water Revenue Bond, Series 2006, and (d) \$3,706,000 Water Revenue Bonds, Series 2010. The Series 2020 Refunding Bonds were used to repay the old debt immediately (a current refunding). The Series 2020 refunding bonds were issued at a discount of \$44,653. Bond issuance costs were \$140,599.

Town of Albany, Louisiana
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The annual requirements to amortize all bonded debt outstanding at June 30, 2023 are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 155,000	\$ 86,457	\$ 241,457
2025	155,000	83,357	238,357
2026	160,000	80,256	240,256
2027	165,000	77,056	242,056
2028	160,000	73,756	233,756
2029 to 2033	680,000	324,850	1,004,850
2034 to 2038	595,000	256,138	851,138
2039 to 2043	670,000	185,244	855,244
2044 to 2048	735,000	98,287	833,287
2049 to 2050	310,000	12,206	322,206
	<u>\$ 3,785,000</u>	<u>\$ 1,277,607</u>	<u>\$ 5,062,607</u>

12. Flow of Funds, Restrictions on Use – Utilities Revenues

The Issuer covenants to fix, establish, maintain and collect, so long as any principal and interest is unpaid on the Bonds, such rates, fees, rents or other charges for the services and facilities of the Combined Utility Enterprise System, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide Combined Utility Enterprise Fund Net Revenues in each Fiscal Year sufficient to (i) make payments and deposits required by this Bond Ordinance for the payment of the principal and interest on the Bonds and any Additional Parity Obligations issued hereafter; (ii) equal one hundred twenty percent (120%) of the required deposits to the debt service funds established for the security and payment of the Bonds and any Additional Parity Obligations; (iii) make all other payments required by this Bond Ordinance; and (iv) pay all other obligations or indebtedness payable out of the Combined Utility Enterprise Fund Net Revenues for such Fiscal Year. The Issuer further covenants that such rates, fees, rents or other charges shall not at any time be reduced so as to be insufficient to provide adequate revenues for such purposes.

There is hereby established to be maintained with the Paying Agent, a separately identifiable fund or account, designated the "*Series 2020 Water and Sewer Revenue Refunding Bond Debt Service Fund*" (the "*Debt Service Fund*"). On or before the twentieth (20th) day of each month, or, if such day is not a Business Day, the next succeeding Business Day, commencing on December 20, 2020, the Issuer shall transfer or cause to be transferred to the Debt Service Fund, one-fifth (1/5) of the amount required to pay principal and interest payable on the Bonds on May 1, 2021 and commencing May 20, 2021, the Issuer shall transfer or cause to be transferred to the Debt Service Fund one-sixth (1/6) of the amount required to pay interest payable on the Bonds on the next Interest Payment Date and one-twelfth (1/12) of the amount required to pay principal payable on the Bonds on the next Principal Payment Date.

In lieu of funding a Debt Service Reserve Fund, the Town has purchased a Reserve Fund Alternate Investment in the form of a Municipal Debt Service Reserve Insurance Policy issued by the Bond Issuer.

13. Pension Plans

The Town of Albany participates in a Simple IRA Retirement Plan administered by Edward Jones. The plan covers employees who are reasonably expected to earn five thousand dollars in compensation for the calendar year. The Town will contribute a matching contribution of three percent for each employee's annual income. Retirement expense for the year ended June 30, 2023 was \$8,943.

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2023

14. Restricted, Committed, and Assigned Fund Balances / Restricted Net Position

At June 30, 2023, the proprietary fund had restricted net position of \$49,466, representing the Town’s funds restricted by revenue bond debt covenants and contracts with customers for meter deposits, net of the related liability.

15. Risk Management

The Town is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Town purchases commercial insurance policies and bonds for claims related to the aforementioned risks. The Town’s payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

16. Contingent Liabilities

At June 30, 2023, the Town was not involved in any outstanding litigation or claims requiring adjustment or disclosure.

17. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2023, the State of Louisiana made on behalf payments in the form of supplemental pay to the Town’s policemen. In accordance with GASB 24, the Town recorded \$43,200 of on-behalf payments as revenue and as an expenditure in the General Fund.

18. Prior Period Adjustment

At June 30, 2023, the Town had prior period adjustments related to a FEMA reimbursements from the flood of 2016.

Business Type Activities	2022
Net Position, Beginning	\$ 7,689,511
Increase in FEMA Receivable	98,698
Total Adjusted Net Position, Beginning	\$ 7,788,209

19. Subsequent Events

Subsequent events have been evaluated by management through December 7, 2023, the date the financial statements were available for issuance. The following events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2023.

Required Supplemental Information (Part II)

Town of Albany, Louisiana

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
General Fund
For the Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable</u>
Revenues				
Taxes:				
Sales and Use Taxes	\$ 605,800	\$ 627,400	\$ 630,533	\$ 3,133
Ad Valorem Tax	50,000	45,000	44,303	(697)
Public Utility Franchise Taxes	61,600	61,600	64,825	3,225
Taxes on Insurance Premiums	53,000	53,000	60,527	7,527
Licenses, Permits and Fees:				
Business Licenses	54,000	53,500	57,917	4,417
Intergovernmental:				
FEMA Reimbursements	-	13,400	13,380	(20)
Louisiana Beer Tax Distribution	4,500	4,500	4,493	(7)
Police Revenue:				
Fines and Forfeitures	180,000	180,000	184,959	4,959
State Supplemental Pay	42,000	42,900	43,200	300
Donations	2,500	500	500	-
State Grants				
Law Enforcement Grants	5,000	1,021	1,021	-
Other State Grants	-	116,167	120,892	4,725
Other Revenues				
American Rescue Funds	-	214,700	214,679	(21)
Other Grants	11,000	10,000	10,000	-
Interest	100	14,800	18,821	4,021
Miscellaneous	500	300	341	41
Total Revenues	<u>1,070,000</u>	<u>1,438,788</u>	<u>1,470,391</u>	<u>31,603</u>

(Continued)

See auditor's report.

Town of Albany, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual

General Fund

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> GAAP Basis	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
Expenditures				
General Government				
Advertising & Printing	\$ 700	\$ 1,500	\$ 1,180	\$ 320
Annexation	29,000	-	-	-
Assessor	500	600	536	64
Beautification	14,100	3,500	6,557	(3,057)
Building & Ground Maintenance	5,000	12,700	13,169	(469)
Capital Outlays, Other	2,500	-	11,589	(11,589)
Conferences	5,000	5,000	1,389	3,611
Coroner's Fees	400	500	450	50
Dues, Subscriptions, Meetings	3,500	3,100	3,088	12
Election Expense	1,000	150	111	39
Insurance	20,000	20,000	20,198	(198)
Internet	3,500	4,300	5,020	(720)
Janitorial Salary & Supplies	6,100	6,000	5,831	169
Kitchen Supplies	2,800	1,100	1,051	49
Legal	2,000	2,000	-	2,000
Miscellaneous Expense	1,500	1,500	80	1,420
Office Expenditures	23,200	24,300	28,075	(3,775)
Official Journal	1,200	2,000	1,976	24
Payroll Tax Expense	9,400	10,400	10,415	(15)
Permit Fees	4,800	700	1,226	(526)
Professional Services	30,000	30,100	27,876	2,224
Retirement	1,100	1,100	1,066	34
Salaries, Clerical	69,400	66,300	66,764	(464)
Salaries, Mayor & Alderman	65,540	65,500	65,540	(40)
Telephone	800	500	1,779	(1,279)
Uniforms	1,500	1,600	1,367	233
Unemployment	1,500	1,000	1,469	(469)
Utilities	6,800	8,600	8,271	329
Worker's Compensation	400	600	615	(15)
Total General Government	<u>313,240</u>	<u>274,650</u>	<u>286,688</u>	<u>(12,038)</u>

(Continued)

See auditor's report.

Town of Albany, Louisiana

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
General Fund
For the Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Public Safety				
Auto Fuel	\$ 36,500	\$ 40,600	\$ 38,551	\$ 2,049
Auto Repairs	18,000	26,300	25,684	616
Capital Outlays	50,000	119,600	122,712	(3,112)
Conferences	3,000	1,100	1,136	(36)
Insurance	31,000	31,000	41,465	(10,465)
Other Police Expense	4,000	3,500	4,156	(656)
Office Supplies	-	-	1,286	(1,286)
Payroll Taxes	26,600	27,300	26,730	570
Post Officer Training	1,000	1,800	1,322	478
Retirement	3,500	4,100	4,268	(168)
Salaries, Police Department	287,300	293,400	287,664	5,736
Salaries, Overtime	18,000	18,000	14,135	3,865
Salaries, Supplemental Pay	42,000	42,900	43,200	(300)
Salaries, Grant Overtime	5,000	5,000	4,711	289
Supplies	6,900	10,100	12,946	(2,846)
Telephone & Utilities	7,700	8,600	7,852	748
Training	4,000	4,000	1,825	2,175
Uniforms	6,500	3,800	3,320	480
Law Enforcement	10,400	10,400	9,572	828
Lease Payments	3,300	3,000	3,048	(48)
Witness Fees	300	200	150	50
Workers Compensation	17,500	20,200	19,459	741
Total Police Department	<u>582,500</u>	<u>674,900</u>	<u>675,192</u>	<u>(292)</u>
Mayor's Court				
Court Magistrate	3,600	2,800	2,700	100
Salary, Court Clerk	1,200	1,200	1,200	-
Total Mayor's Court	<u>4,800</u>	<u>4,000</u>	<u>3,900</u>	<u>100</u>
Streets, Drainage, & Sanitation				
Capital Outlays	-	25,400	24,388	1,012
Equipment Repairs	2,500	2,500	-	2,500
Insurance	19,000	19,000	14,704	4,296
Materials & Supplies	2,500	3,500	2,635	865
Other Expenses, Streets	600	700	596	104
Payroll Taxes	6,300	6,500	6,302	198

(Continued)

See auditor's report.

Town of Albany, Louisiana

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
General Fund
For the Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Retirement	1,100	1,100	1,053	47
Salaries	81,500	84,400	83,124	1,276
Sanitation, Collection Expenses	3,600	6,900	3,372	3,528
Street & Drainage Improvements	11,000	13,500	11,500	2,000
Street Lights	20,500	30,200	29,874	326
Total Streets and Parks	<u>148,600</u>	<u>193,700</u>	<u>177,548</u>	<u>16,152</u>
Other				
Fire Protection	5,000	5,000	5,000	-
J&N Park Expenses	3,500	5,200	5,433	(233)
Total Other	<u>8,500</u>	<u>10,200</u>	<u>10,433</u>	<u>(233)</u>
Total Expenditures	<u>1,057,640</u>	<u>1,157,450</u>	<u>1,153,761</u>	<u>3,689</u>
Excess (Deficiency) Revenue Other Expenditures and Other Uses	12,360	281,338	316,630	35,292
Other Financing Sources				
Transfer to Enterprise Fund	-	(438,000)	(439,666)	(1,666)
Total Other Financing Sources	<u>-</u>	<u>(438,000)</u>	<u>(439,666)</u>	<u>(1,666)</u>
Net Change in Fund Balance	12,360	(156,662)	(123,036)	33,626
Fund Balance, Beginning	<u>507,925</u>	<u>652,509</u>	<u>652,509</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 520,285</u>	<u>\$ 495,847</u>	<u>\$ 529,473</u>	<u>\$ 33,626</u>

(Concluded)

See auditor's report.

Other Supplemental Information

Town of Albany, Louisiana

Schedule 2

**Combining Schedule of Revenues, Expenses and Changes in Net Position
Proprietary Fund Type, Utility Departments
For the Year Ended June 30, 2023**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues			
Water Sales	\$ 1,323,966	\$ -	\$ 1,323,966
Sewer Service Charges	-	202,626	202,626
Other	129,955	-	129,955
Total Operating Revenues	<u>1,453,921</u>	<u>202,626</u>	<u>1,656,547</u>
Operating Expenses			
Salaries and Wages	152,592	83,325	235,917
Bad Debt	4,371	3,674	8,045
Computer	571	-	571
Contract Service	800	11,330	12,130
Depreciation	233,119	168,129	401,248
DHH Fees	27,123	-	27,123
Insurance	19,499	1,914	21,413
Office Supplies	6,975	-	6,975
Payroll Taxes	11,714	6,318	18,032
Postage	14,434	-	14,434
Professional Fees	39,072	6,042	45,114
Repairs and Maintenance	70,300	9,963	80,263
Retirement	2,106	-	2,106
Supplies	135,079	-	135,079
Telephone	3,220	-	3,220
Training	3,694	-	3,694
Uniforms	9,387	-	9,387
Utilities	13,205	49,007	62,212
Vehicle Expenses	32,507	-	32,507
Workers Compensation	6,492	5,566	12,058
Other	6,991	-	6,991
Total Operating Expenses	<u>793,251</u>	<u>345,268</u>	<u>1,138,519</u>
Operating Income (Loss)	<u>660,670</u>	<u>(142,642)</u>	<u>518,028</u>
Nonoperating Revenues (Expenses)			
Interest Income	108,725	-	108,725
Bond Interest Expense	(84,217)	(6,227)	(90,444)
Billing Fees	-	10,902	10,902
Total Nonoperating Revenues (Expenses)	<u>24,508</u>	<u>4,675</u>	<u>29,183</u>
Income (Loss) Before Contributions and Transfers	<u>685,178</u>	<u>(137,967)</u>	<u>547,211</u>
Transfers and Capital Contributions			
Capital Grants	171,031	-	171,031
Transfers from General Fund	439,666	-	439,666
Change in Net Position	<u>\$ 1,295,875</u>	<u>\$ (137,967)</u>	<u>\$ 1,157,908</u>
Total Net Position, Beginning			7,689,511
Prior Period Adjustment (See Note 18)			98,698
Total Adjusted Net Position, Beginning			<u>7,788,209</u>
Total Net Position, Ending			<u>\$ 8,946,117</u>

See auditor's report.

Town of Albany, Louisiana

Schedule 3

**Schedule of Revenues, Expenses, and Changes in Net Position
Budget (GAAP Basis) and Actual, Proprietary Fund Type, Water Utility System
For the Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues			
Water Sales	\$ 1,317,600	\$ 1,323,966	\$ 6,366
Other	122,200	129,955	7,755
Total Operating Revenues	<u>1,439,800</u>	<u>1,453,921</u>	<u>14,121</u>
Operating Expenses			
Salaries and Wages	155,000	152,592	2,408
Bad Debt	800	4,371	(3,571)
Computer Expense	500	571	(71)
Contract Service	1,100	800	300
Depreciation	247,000	233,119	13,881
DHH Fees	18,000	27,123	(9,123)
Insurance	15,200	19,499	(4,299)
Office Supplies	22,300	6,975	15,325
Payroll Taxes	12,000	11,714	286
Postage	14,600	14,434	166
Professional Fees	41,200	39,072	2,128
Repairs and Maintenance	74,700	70,300	4,400
Retirement	2,200	2,106	94
Supplies	112,100	135,079	(22,979)
Telephone	3,100	3,220	(120)
Training	3,400	3,694	(294)
Uniforms	10,000	9,387	613
Utilities	15,100	13,205	1,895
Vehicle Expenses	31,300	32,507	(1,207)
Workers Compensation	4,500	6,492	(1,992)
Other	5,200	6,991	(1,791)
Total Operating Expenses	<u>789,300</u>	<u>793,251</u>	<u>(3,951)</u>
Operating Income (Loss)	<u>650,500</u>	<u>660,670</u>	<u>10,170</u>
Nonoperating Revenues (Expenses)			
Interest Income	95,700	108,725	13,025
Bond Interest Expense	(84,700)	(84,217)	483
Total Nonoperating Revenues (Expenses)	<u>11,000</u>	<u>24,508</u>	<u>13,508</u>
Income (Loss) Before Contributions and Transfers	<u>661,500</u>	<u>685,178</u>	<u>23,678</u>
Transfers and Capital Contributions			
Capital Grants	21,000	171,031	150,031
Transfers from General Fund	438,000	439,666	1,666
Change in Net Position	<u>\$ 1,120,500</u>	<u>\$ 1,295,875</u>	<u>\$ 175,375</u>

See auditor's report.

Town of Albany, Louisiana

Schedule 4

Schedule of Revenues, Expenses, and Changes in Net Position
Budget (GAAP Basis) and Actual, Proprietary Fund Type, Sewer Utility System
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues			
Sewer Charges	\$ 200,600	\$ 202,626	\$ 2,026
Total Operating Revenues	<u>200,600</u>	<u>202,626</u>	<u>2,026</u>
Operating Expenses			
Salaries and Wages	84,700	83,325	1,375
Bad Debt	800	3,674	(2,874)
Contract Services	15,100	11,330	3,770
Depreciation	135,200	168,129	(32,929)
Insurance	1,900	1,914	(14)
Payroll Taxes	6,500	6,318	182
Professional Fees	6,300	6,042	258
Repairs and Maintenance	18,400	9,963	8,437
Supplies	1,400	-	1,400
Training	400	-	400
Utilities	51,500	49,007	2,493
Workers Compensation	3,900	5,566	(1,666)
Total Operating Expenses	<u>326,100</u>	<u>345,268</u>	<u>(19,168)</u>
Operating Income (Loss)	<u>(125,500)</u>	<u>(142,642)</u>	<u>(17,142)</u>
Nonoperating Revenues (Expenses)			
Interest Income	-	-	-
Billing Fees	11,100	10,902	(198)
Bond Interest Expense	(6,300)	(6,227)	73
Total Nonoperating Revenues (Expenses)	<u>4,800</u>	<u>4,675</u>	<u>(125)</u>
Change in Net Position	<u>\$ (120,700)</u>	<u>\$ (137,967)</u>	<u>\$ (17,267)</u>

See auditor's report.

Town of Albany, Louisiana

Schedule 5

**Schedule of Water and Sewer Rates – Proprietary Fund Type
For the Year Ended June 30, 2023**

Water	
Residential Rates - Inside City Limits	Commercial Rates - Inside City Limits
\$ 27.68 - First 2,500 Gallons	\$ 50.68 - First 10,000 Gallons
1.50 - Per 1,000 Gallons of Water over 2,500 Gallons	1.50 - Per 1,000 Gallons of Water over 10,000 Gallons
Residential Rates - Outside City Limits	Commercial Rates - Outside City Limits
\$ 35.68 - First 2,500 Gallons	\$ 58.68 - First 10,000 Gallons
2.50 - Per 1,000 Gallons of Water over 2,500 Gallons	2.50 - Per 1,000 Gallons of Water over 10,000 Gallons
Sewer	
Residential Rates	Commercial Rates
\$ 23.75 - Flat fee plus \$1.00 per thousand Gallons	\$ 33.75 - Flat fee plus \$1.05 per thousand Gallons

See auditor's report.

Town of Albany, Louisiana

Schedule 6

**Schedule of Number of Customers – Proprietary Fund Type
For the Year Ended June 30, 2023**

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Water	2,315	111	2,426
Sewer	473	60	533
Total	<u>2,788</u>	<u>171</u>	<u>2,959</u>

See auditor's report.

Town of Albany, Louisiana

Schedule 8

**Schedule of Compensation Paid to Board Members
For the Year Ended June 30, 2023**

<u>Name</u>	<u>Address/Phone Number</u>	<u>Compensation Received</u>
Eileen Bates McCarroll, Mayor	Post Office Box 1 Albany, LA 70711 225-939-7967	\$ 35,540
Kim Stewart, Councilwoman	Post Office Box 1346 Albany, LA 70711 (985) 320-0801	6,000
Ronnie Gregoire, Councilman (Term ended 12/31/22)	Post Office Box 243 Albany, LA 70711 (985) 507-3176	3,000
Jerry Glascock, Councilman	Post Office Box 1183 Albany, LA 70711 (985) 969-4945	6,000
Lloyd Martin, Councilman (Term ended 12/31/22)	Post Office Box 146 Albany, LA 70711 (225) 567-2093	3,000
Gerald Stilley, Councilman	Post Office Box 363 Albany, LA 70711 (225) 567-9723	6,000
Peter Don Onofry, Councilman	30097 Pea Ridge Rd Albany, LA 70711 (985) 567-9723	3,000
John Thomas, Councilman	30068 Leslie St. Albany, LA 70711 (225) 567-9723	3,000
		<u>\$ 65,540</u>

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No 54 of the 1979 Session of the Louisiana Legislature. All terms expire 12/31/26.

See auditor's report.

Town of Albany, Louisiana

Schedule 9

Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2023

Agency Head Name: Eileen Bates McCarroll, Mayor

Purpose	Amount
Salary	\$ 34,040
Car Allowance	1,500
Retirement	1,066
Conferences	310
Total	\$ 36,916

See auditor's report.

Town of Albany, Louisiana

Schedule 10

**Schedule of Justice System Funding – Collecting / Disbursing Entity
For the Year Ended June 30, 2023**

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
Cash Basis Presentation		
Beginning Balance of Amounts Collected (I.e. cash on hand)	\$ 484	\$ 99
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	58,707	126,251
	58,707	126,251
Subtotal Collections	58,707	126,251
Less: Disbursements to Governments & Nonprofits:		
State Treasury Disability Affairs	-	-
Treasury State of Louisiana CMIS	283	600
DHH Traumatic Head & Spinal Cord Injury Trust	425	640
Judicial Administration, Supreme Court of LA	169	269
Louisiana Commission on Law Enforcement	620	1,231
Florida Parishes Juvenile Justice Commission	1,462	2,976
Less: Amount Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Amounts "Self-Disbursed" to Collecting Agency - Other	55,737	119,425
Less: Disbursements to Individual /3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individual (additional detail is not required)	-	-
Other Disbursements to Individual (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	396	99
	59,092	125,240
Subtotal Disbursements/Retainage	59,092	125,240
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 99	\$ 1,110

Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained.

See auditor's report.

Other Independent Auditor's Reports and Findings and Recommendations



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*

The Honorable Mayor Eileen Bates-McCarroll
and Members of the Town Council
Town of Albany, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Albany, Louisiana as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Town of Albany, Louisiana's basic financial statements, and have issued our report thereon dated December 7, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Albany, Louisiana's internal control over financial reporting (internal control) as a basis for designing 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 Albany, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Albany, Louisiana's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Albany, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 tests disclosed an instance of noncompliance

Town of Albany, Louisiana

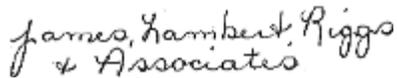
or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

Town of Albany, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Albany, Louisiana's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town of Albany, Louisiana's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



James Lambert Riggs and Associates, Inc.
Hammond, Louisiana

December 7, 2023

Town of Albany, Louisiana

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

We have audited the basic financial statements of the Town of Albany, Louisiana as of and for the year ended June 30, 2023, and have issued our report thereon dated December 7, 2023. We 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, and the provisions of the Uniform Guidance.

Section I – Summary of Auditor’s Reports

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

Type of Opinion Issued	<u>X</u>	Unmodified	___	Modified
	___	Disclaimer	___	Adverse
Internal Control:				
Material Weakness	___	Yes	<u>X</u>	No
Significant Deficiencies	___	Yes	<u>X</u>	No
Compliance:				
Compliance Material to the Financial Statements	<u>X</u>	Yes	___	No
Was a management letter issued?	___	Yes	<u>X</u>	No

Section II – Financial Statement Findings

Internal Control over Financial Reporting

None

Compliance and Other Matters

2023-001 Compliance with Louisiana Public Bid Laws

Condition:

The Town of Albany did not comply with certain provisions of the Louisiana Public Bid Law in purchasing a 2023 Chevrolet Silverado 1500.

Criteria:

Public bid law procedures applicable to the Town of Albany are specified in state law, Louisiana Revised Statute (LRS) 38:2211-2296. The pertinent parts of the law and the manner in which the Town of Albany did not comply are as follows:

- LRS 38:2212.1(A)(1)(b) requires the following:

Town of Albany, Louisiana

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

“However, purchases of thirty thousand dollars or more, but less than sixty thousand dollars, shall be made by obtaining not less than three quotes by telephone, facsimile, email, or any other printable electronic form. If telephone quotes are received, a written confirmation of the accepted offers shall be obtained and made a part of the purchase file. If quotations lower than the accepted quotation are received, the reasons for their rejection shall be recorded in the purchase file.”

On May 18, 2023, the Town of Albany prepared a check for \$43,805.59 for a 2023 Chevrolet Silverado from Ross Downing Chevrolet. When the check was prepared, the receipt from the vendor indicated the total price of the vehicle to be \$43,805.59, which was between the \$30,000 and \$60,000 limit set by law on purchasing materials without advertising.

State law required that at least three quotes be obtained prior to purchasing the vehicle. However, only internet pricing was obtained using Edmunds (owned by CarMax) in the Town of Albany’s file and was dated December 8, 2022.

Cause:

The cause of this condition appears to be a lack of understanding of the specific requirements of the Public Bid Law by the Town personnel in executing the purchase of a new vehicle.

Effect:

Failure to follow the precise requirements of Public Bid Law in place at the time of purchase resulted in the Town not complying with the public bid laws specified in LRS 38:2211-2296 for the fiscal year ended June 30, 2023.

Recommendation:

We recommend that the Town familiarize itself with all aspects of the Public Bid Laws according to LRS 38:2211-2296.

Management’s Response:

See management’s response dated December 8, 2023.

Town of Albany, Louisiana

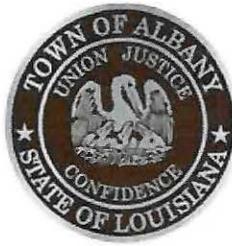
**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2022**

Internal Control over Financial Reporting

None

Compliance and Other Matters

None



- MAYOR -
EILEEN BATES-McCARROLL

- CLERK -
KIMBERLEE "JOEY"
COOPER

29816 S. MONTPELIER
P. O. BOX 1000
ALBANY, LOUISIANA 70711

- COUNCIL -
KIM STEWART
JERRY GLASCOCK
GERALD STILLEY
DON ONOFRY
JOHN THOMAS

December 8, 2023

James, Lambert, Riggs and Associates, Inc.
401 E. Thomas St
Hammond, LA 70401

This letter is in response to the Schedule of Findings and Questioned Costs for the Annual Financial Statements Audit for the Town of Albany for the fiscal year ending June 30, 2023.

Finding:

1. 2023-001 Compliance with Louisiana Public Bid Laws

Response to finding:

1. Due to the shortage in vehicles when the Town of Albany was looking to purchase this truck it was difficult to find options and/or quotes after speaking to multiple dealerships. With this being said, and after reading the law stating, "must obtain not less than three quotes by telephone, facsimile, email, or any other printable electronic form", our understanding of "printable electronic form" was to search the internet and print out multiple quotes for kind-like vehicles. It is to our understanding now that that does not meet the required criteria of the law. Going forward the Town of Albany will make sure to include any comments and/or notes when speaking to dealerships in the files along with 3 approved quotes through telephone or email versus internet quotes. The Town of Albany agrees with all the current year audit findings and will be working to implement all laws to correct it and make sure it doesn't occur again for the year ending June 30, 2024 and thereafter.

Overall, the Town has found the audit process to be very beneficial. We appreciate the auditors' recommendations and plan to take steps to correct all findings.

Sincerely,

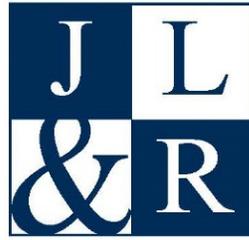

Eileen Bates-McCarroll
Mayor

TOWN OF ALBANY

STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED JUNE 30, 2023

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA



**JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.**
CERTIFIED PUBLIC ACCOUNTANTS
www.jlrcpafirm.com


Member of
American Institute of CPAs
Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Honorable Eileen Bates-McCarroll, Mayor
Town of Albany
Albany, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Town of Albany's (the "Town") management is responsible for those C/C areas identified in the SAUPs.

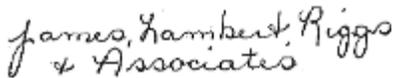
The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are detailed in Schedule "A."

We were engaged by the Town to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

A handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

December 7, 2023

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. **Receipts / Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - v. **Payroll / Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - **Results:** The Town does have a written policy on Contracting, however, it does not cover the requirement items (3) legal review and (5) monitoring process.
 - vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

viii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

- **Results:** No exceptions were noted as a result of the above listed procedures.

ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

- **Results:** The Town does have a written policy on Ethics; however, it does not cover the requirement item (4) that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- **Results:** No exceptions were noted as a result of the above listed procedures.

xi. **Information Technology Disaster Recovery / Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing / verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches / updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

- **Results:** No exceptions were noted as a result of the above listed procedures.

xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

- **Results:** No exceptions were noted as a result of the above listed procedures.

2) **Board or Finance Committee**

A. Obtain and inspect the board / finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

i. Observe that the board / finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

- **Results:** No exceptions were noted as a result of the above listed procedures.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - **Results:** The bank reconciliations did have written evidence that a board member reviewed each one, but the reconciliations were not reviewed in a timely manner to be effective.
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
 - **Results:** Management does have documentation reflecting it has researched reconciling items that have been outstanding for more than 12 month from the statement closing date, but it was not completed until the end of the fiscal period which left these items outstanding for longer than the 12 months of the statement closing date.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash / checks / money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees responsible for cash collections do not share cash drawers / registers.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. Each employee responsible for collecting cash is not responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and / or subsidiary ledgers, by revenue source and / or agency fund additions, are not responsible for collecting cash, unless another employee / official verifies the reconciliation.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- **Results:** No exceptions were noted as a result of the above listed procedures.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for "Bank Reconciliations" procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- v. Trace the actual deposit per the bank statement to the general ledger.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iii. The employee responsible for processing payments is prohibited from adding / modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. Either the employee / official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - **Results:** The same employee that is processing payments and signing checks is also mailing the payments to the vendors.

- v. Only employees / officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

- **Results:** No exceptions were noted as a result of the above listed procedures.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

- **Results:** No exceptions were noted as a result of the above listed procedures.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #5B, as applicable.

- **Results:** No exceptions were noted as a result of the above listed procedures.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

- **Results:** No exceptions were noted as a result of the above listed procedures.

6) Credit Cards / Debit Cards / Fuel Cards / P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

- **Results:** No exceptions were noted as a result of the above listed procedures.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit / debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than

the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported.

- **Results:** No exceptions were noted as a result of the above listed procedures.
- ii. Observe that finance charges and late fees were not assessed on the selected statements.
- **Results:** No exceptions were noted as a result of the above listed procedures.
- C. Using the monthly statements or combined statements selected under #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business / public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.
- **Results:** One of the ten randomly selected transactions did not contain written documentation of the business / public purpose for the transaction.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms / prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- **Results:** No exceptions were noted as a result of the above listed procedures.
- ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- **Results:** Two of the five randomly selected reimbursements did not have itemized receipts to identify what was purchased.
- iii. Observe each reimbursement is supported by documentation of the business / public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1h.
- **Results:** No exceptions were noted as a result of the above listed procedures.

iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

- **Results:** No exceptions were noted as a result of the above listed procedures.

8) *Contracts*

A. Obtain from management a listing of all agreements / contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

- **Results:** No exceptions were noted as a result of the above listed procedures.

ii. Observe whether the contract was approved by the governing body / board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

- **Results:** No exceptions were noted as a result of the above listed procedures.

iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).

- **Results:** No exceptions were noted as a result of the above listed procedures.

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

- **Results:** No exceptions were noted as a result of the above listed procedures.

9) *Payroll and Personnel*

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries / pay rates in the personnel files.

- **Results:** No exceptions were noted as a result of the above listed procedures.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. Observe the rate paid to the employees or officials agree to the authorized salary / pay rate found within the personnel file.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations, and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

10) Ethics

- A. Using the 5 randomly selected employees / officials from "Payroll and Personnel" procedure #9A obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates that each employee / official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

- **Results:** The Town's ethics policy was updated in March 2023 at a council meeting, but employees and officials were not notified of the changes to the Town's ethics policy during the fiscal period.

B. Inquire and / or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

- **Results:** No exceptions were noted as a result of the above listed procedure.

11) Debt Service

A. Obtain a listing of bonds / notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

- **Results:** No exceptions were noted as a result of the above listed procedure.

B. Obtain a listing of bonds / notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond / note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

- **Results:** No exceptions were noted as a result of the above listed procedure.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

- **Results:** No exceptions were noted as a result of the above listed procedure.

B. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

- **Results:** No exceptions were noted as a result of the above listed procedure.

13) Information Technology Disaster Recovery / Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. Obtain and inspect the entity’s most recent documentation that it has tested / verified that its backups can be restored (if no written documentation, then inquire of personnel responsible for testing / verifying backup restoration) and observe evidence that the test / verification was successfully performed within the past 3 months.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9A. Observe evidence that the selected terminated employees have been removed or disabled from the network.
 - **Results:** No exceptions were noted as a result of the above listed procedure.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees / officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee / official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
 - **Results:** No exceptions were noted as a result of the above listed procedure.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
 - **Results:** No exceptions were noted as a result of the above listed procedure.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. Number of sexual harassment complaints received by the agency;
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - v. Amount of time it took to resolve each complaint.
 - **Results:** No exceptions were noted as a result of the above listed procedures.



- MAYOR -
EILEEN BATES-McCARROLL

- CLERK -
KIMBERLEE "JOEY"
COOPER

29816 S. MONTPELIER
P. O. BOX 1000
ALBANY, LOUISIANA 70711

- COUNCIL -
KIM STEWART
JERRY GLASCOCK
GERALD STILLEY
DON ONOFRY
JOHN THOMAS

December 8, 2023

James, Lambert, Riggs and Associates, Inc.
401 E. Thomas St
Hammond, LA 70401

This letter is in response to the recommendations for the Statewide Agreed Upon Procedures Audit for the Town of Albany for the fiscal year ending June 30, 2023. The Town agrees with all the current year recommendations and will be working to implement all recommendations and to have it completed by June 30, 2024.

Overall, the Town has found the audit process to be very beneficial. We appreciate the auditors' recommendations and plan to take steps to correct all recommendations.

Sincerely,

Eileen Bates-McCarroll
Mayor