

**TOWN OF ALBANY, LOUISIANA**  
**ANNUAL FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**Town of Albany**  
**Annual Financial Statements**  
**As of and for the Year Ended June 30, 2019**  
**With Supplemental Information Schedules**

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**Town of Albany**  
**Annual Financial Statements**  
**As of and for the Year Ended June 30, 2019**  
**With Supplemental Information Schedules**

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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 Financial Statements**

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, 2019, 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.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, and each major fund of the Town of Albany, Louisiana as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 – 13 and 49 – 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Albany, Louisiana's basic financial statements. The Combining Schedule of Revenues, Expenses, and Changes in Net Position; Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Water Utility System; Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Sewer Utility System; Schedule of Water and Sewer Rates; Schedule of Number of Customers; Schedule of Insurance; Schedule of Compensation Paid to Board Members; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

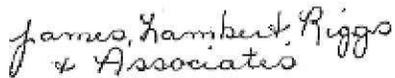
The Combining Schedule of Revenues, Expenses, and Changes in Net Position; Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Water Utility System; Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Sewer Utility System; Schedule of Water and Sewer Rates; Schedule of Number of Customers; Schedule of Insurance; Schedule of Compensation Paid to Board Members; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head; and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedule of Revenues, Expenses, and Changes in Net Position; Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Water Utility System; Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP

Town of Albany, Louisiana

Basis) and Actual – Proprietary Fund Type – Sewer Utility System; Schedule of Water and Sewer Rates; Schedule of Number of Customers; Schedule of Insurance; Schedule of Compensation Paid to Board Members; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head; 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 10, 2019, 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 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 10, 2019

**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, 2019

#### 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, 2019, the Town's assets exceeded its liabilities by \$5,977,918 (net position). Of this amount \$1,388,503 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens.
- For the year ended June 30, 2019, the Town's total net position increased by \$1,321,402.
- At June 30, 2019, the Town's governmental funds reported a combined ending fund balance of \$127,317, an increase of \$18,137 for the year. Of this amount, approximately 85% or \$109,018 is available for spending at the Town's discretion (unassigned fund balances).
- At June 30, 2019, the Town's proprietary fund reported ending net position of \$4,233,166, an increase of \$187,292 for the year. Of this amount, approximately 24 percent or \$1,050,725 is available for spending at the Town's discretion (unrestricted net position).
- For the year ended June 30, 2019, the Town made principal payments on bonded debt for the proprietary fund of \$90,077, and incurred \$180,680 in interest expense, compared to \$182,548 of interest expense in the prior fiscal year.

#### 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, 2019

#### 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, that 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, 2019**

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, 2019**

**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  
2019 and 2018**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u> <u>(Restated)</u>	<u>2019</u>	<u>2018</u> <u>(Restated)</u>	<u>2019</u>	<u>2018</u> <u>(Restated)</u>
<b>Assets:</b>						
Current and Other Assets	\$ 374,858	\$ 202,292	\$ 1,791,539	\$ 1,403,258	\$ 2,166,397	\$ 1,605,550
Capital Assets	1,469,056	455,235	6,743,878	7,012,117	8,212,934	7,467,352
<b>Total Assets</b>	<u>1,843,914</u>	<u>657,527</u>	<u>8,535,417</u>	<u>8,415,375</u>	<u>10,379,331</u>	<u>9,072,902</u>
<b>Liabilities:</b>						
Long-Term Debt Outstanding	2,195	4,588	4,141,309	4,209,898	4,143,504	4,214,486
Other Liabilities	96,967	42,297	160,942	159,603	257,909	201,900
<b>Total Liabilities</b>	<u>99,162</u>	<u>46,885</u>	<u>4,302,251</u>	<u>4,369,501</u>	<u>4,401,413</u>	<u>4,416,386</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	1,395,883	450,647	2,602,569	2,802,219	3,998,452	3,252,866
Restricted	11,091	6,613	579,872	544,086	590,963	550,699
Unrestricted	337,778	153,382	1,050,725	699,569	1,388,503	852,951
<b>Total Net Position</b>	<u>\$ 1,744,752</u>	<u>\$ 610,642</u>	<u>\$ 4,233,166</u>	<u>\$ 4,045,874</u>	<u>\$ 5,977,918</u>	<u>\$ 4,656,516</u>

Approximately 67% 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 10% 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 23% 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, 2019**

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 \$1,321,402, with governmental activities increasing net position by \$1,134,110 and business-type activities increasing net position by \$187,292.

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.

	<b>Changes in Net Position</b>					
	<b>For the years ended June 30, 2019 and 2018</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		(Restated)				(Restated)
Revenues:						
Program Revenues:						
Charges for Services	\$ 161,866	\$ 157,710	\$ 1,475,347	\$ 1,457,345	\$ 1,637,213	\$ 1,615,055
Operating Grants and Contributions	44,861	18,442	-	-	44,861	18,442
Capital Grants and Contributions	23,165	-	-	-	23,165	-
General Revenues	1,483,012	754,942	84,644	66,259	1,567,656	821,201
Total Revenues	<u>1,712,904</u>	<u>931,094</u>	<u>1,559,991</u>	<u>1,523,604</u>	<u>3,272,895</u>	<u>2,454,698</u>
Expenses:						
Governmental Activities	828,794	763,623	-	-	828,794	763,623
Business-Type Activities	-	-	1,122,699	1,148,747	1,122,699	1,148,747
Total Expenses	<u>828,794</u>	<u>763,623</u>	<u>1,122,699</u>	<u>1,148,747</u>	<u>1,951,493</u>	<u>1,912,370</u>
Change in Net Position Before Transfers and Contributions	884,110	167,471	437,292	374,857	1,321,402	542,328
Transfers (Out) In	250,000	53,859	(250,000)	(53,859)	-	-
Change in Net Position	<u>1,134,110</u>	<u>221,330</u>	<u>187,292</u>	<u>320,998</u>	<u>1,321,402</u>	<u>542,328</u>
Net Position, Beginning	610,642	389,312	4,045,874	3,724,876	4,656,516	4,114,188
Net Position, Ending	<u>\$ 1,744,752</u>	<u>\$ 610,642</u>	<u>\$ 4,233,166</u>	<u>\$ 4,045,874</u>	<u>\$ 5,977,918</u>	<u>\$ 4,656,516</u>

## Town of Albany, Louisiana

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2019

#### **Governmental Activities**

The Town's governmental net position increased by \$1,134,110 to \$1,744,752. Capital grants and contributions were \$23,165 which were to be used for the construction of the new park. General revenues increased by \$606,640 or 80% due to intergovernmental revenues from FEMA to be used for the construction of the new Town Hall.

#### **Business-Type Activities**

The Town's business-type net position increased by \$187,292 to \$4,233,166. The increase is approximately a 4 percent gain of ending net position. In comparison, the previous fiscal year had a 9 percent gain of ending net position. Charges for services increased approximately 1% or \$18,002. In comparison, the previous fiscal year had a 20% increase. Expenses decreased by approximately \$26,047 or 2 percent.

#### **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 \$127,317. Of the total balance, \$109,018 is unassigned and available for spending at the Town's discretion and \$11,091 is restricted for Capital Projects and Debt Service. This represents an increase of \$18,137, or approximately 14% 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, 2019

#### General Fund Budgetary Highlights

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

- The Town reduced its original budget for FEMA reimbursements by \$136,000. Due to increase in sales tax the Town increased its original budget for sales tax by \$70,200.
- The Town reduced its capital outlay budget for general and administration by \$126,100. As of June 30, 2019 the new Town Hall was not completed.

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

- The Town budgeted \$881,000 for FEMA reimbursements. The actual amount was less than budgeted by \$81,122 due to reimbursements not being received within 60 days. The Town had to record a deferred inflow of resources for the general fund for \$150,574.

#### 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, 2019 amounts to \$3,998,452 (net of depreciation). The total increase in the Town's investment in capital assets for the current fiscal year was \$745,582 (net of depreciation).

Major capital asset events during the current year included purchasing a new police vehicle with equipment for \$38,388. Expenditures for the new Town Hall during the current year cost \$981,877 and \$27,240 for new office equipment.

Utility fund additions included a new utility truck purchased off of a capital lease for \$31,734, and engineering fees of \$18,077 for the sewer pond project.

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 8 to the financial statements in this report.

**Town of Albany, Louisiana**

**Management's Discussion and Analysis  
As of and for the Year Ended June 30, 2019**

**Capital Assets (Net of Depreciation)  
2019 and 2018**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Capital Assets</b>						
Land	\$ 43,850	\$ 43,850	\$ 130,429	\$ 130,429	\$ 174,279	\$ 174,279
Construction in Progress	1,022,150	67,513	36,078	5,504	1,058,228	73,017
Buildings	24,157	-	83,712	83,712	107,869	83,712
Improvements	3,868	3,868	-	-	3,868	3,868
Vehicles and Equipment	431,938	351,568	316,159	277,425	748,097	628,993
Infrastructure - Sidewalks	322,153	322,153	-	-	322,153	322,153
Water Utility System	-	-	7,330,786	7,320,182	7,330,786	7,320,182
Sewer Utility System	-	-	3,822,365	3,822,365	3,822,365	3,822,365
Subtotal Capital Assets	1,848,116	788,952	11,719,529	11,639,617	13,567,645	12,428,569
Less: Accumulated Depreciation	(379,060)	(333,717)	(4,975,651)	(4,627,500)	(5,354,711)	(4,961,217)
<b>Capital Assets, Net</b>	<b>\$ 1,469,056</b>	<b>\$ 455,235</b>	<b>\$ 6,743,878</b>	<b>\$ 7,012,117</b>	<b>\$ 8,212,934</b>	<b>\$ 7,467,352</b>

**Long-Term Debt**

At June 30, 2019, the Town had total debt outstanding of \$4,143,504. Of this total, \$106,944 is due within one year and \$4,036,560 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 12 to the financial statements in this report.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Capital Leases	\$ 2,195	\$ 4,588	\$ 21,488	\$ -	\$ 23,683	\$ 4,588
Revenue Bonds	-	-	4,119,821	4,209,898	4,119,821	4,209,898
Total Outstanding Debt	<u>\$ 2,195</u>	<u>\$ 4,588</u>	<u>\$ 4,141,309</u>	<u>\$ 4,209,898</u>	<u>\$ 4,143,504</u>	<u>\$ 4,214,486</u>

**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.

**Town of Albany, Louisiana**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2019**

**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, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 94,976	\$ 581,693	\$ 676,669
Investments	-	300,000	300,000
Receivables, Net:			
Intergovernmental	85,019	-	85,019
Accounts	-	191,797	191,797
Franchise Taxes	12,770	-	12,770
Grant Receivable	150,574	-	150,574
Prepaid Insurance	7,208	1,351	8,559
Internal Balances	13,220	(13,220)	-
Inventory	-	20,000	20,000
Total Current Assets	<u>363,767</u>	<u>1,081,621</u>	<u>1,445,388</u>
Restricted Assets:			
Restricted Cash and Cash Equivalents	11,091	69,918	81,009
Restricted Investments	-	640,000	640,000
Total Restricted Assets	<u>11,091</u>	<u>709,918</u>	<u>721,009</u>
Capital Assets:			
Land	43,850	130,429	174,279
Construction in Progress	1,022,150	36,078	1,058,228
Capital Assets, Net	<u>403,056</u>	<u>6,577,371</u>	<u>6,980,427</u>
Total Capital Assets	<u>1,469,056</u>	<u>6,743,878</u>	<u>8,212,934</u>
Total Assets	<u>1,843,914</u>	<u>8,535,417</u>	<u>10,379,331</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	16,863	20,413	37,276
Accrued Interest	-	11,276	11,276
Accrued Salaries	3,220	1,300	4,520
Accrued Vacation	5,381	5,671	11,052
Other Accrued Liabilities	525	3,512	4,037
Construction Payable	27,155	-	27,155
Retainage Payable	43,823	-	43,823
Customer Deposits	-	118,770	118,770
Bonds Payable	-	94,359	94,359
Capital Leases	2,195	10,390	12,585
Total Current Liabilities	<u>99,162</u>	<u>265,691</u>	<u>364,853</u>
Long Term Liabilities:			
Bonds Payable	-	4,025,462	4,025,462
Capital Leases	-	11,098	11,098
Total Long Term Liabilities	<u>-</u>	<u>4,036,560</u>	<u>4,036,560</u>
Total Liabilities	<u>99,162</u>	<u>4,302,251</u>	<u>4,401,413</u>
<b>Net Position</b>			
Net Investment in Capital Assets	1,395,883	2,602,569	3,998,452
Restricted for:			
Capital Projects and Debt Service	11,091	579,872	590,963
Unrestricted	337,778	1,050,725	1,388,503
Total Net Position	<u>\$ 1,744,752</u>	<u>\$ 4,233,166</u>	<u>\$ 5,977,918</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, 2019

	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
<b>Governmental Activities</b>								
General Government	\$ 274,242	\$ 94,212	\$ -	\$ -	\$ (180,030)	\$ (180,030)	\$ -	\$ (180,030)
Public Safety	413,130	67,654	44,861	-	(300,615)	(300,615)	-	(300,615)
Public Works - Streets	137,902	-	-	-	(137,902)	(137,902)	-	(137,902)
Park	620	-	-	23,165	22,545	22,545	-	22,545
Court Cost	2,900	-	-	-	(2,900)	(2,900)	-	(2,900)
<b>Total Governmental Activities</b>	<u>\$ 828,794</u>	<u>\$ 161,866</u>	<u>\$ 44,861</u>	<u>\$ 23,165</u>	<u>\$ (598,902)</u>	<u>(598,902)</u>	<u>-</u>	<u>(598,902)</u>
<b>Business-type Activities</b>								
Water	\$ 861,578	\$ 1,302,607	-	\$ -	\$ 441,029	-	441,029	441,029
Sewer	261,121	172,740	-	-	(88,381)	-	(88,381)	(88,381)
<b>Total Business-type Activities</b>	<u>\$ 1,122,699</u>	<u>\$ 1,475,347</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 352,648</u>	<u>-</u>	<u>352,648</u>	<u>352,648</u>
<b>General Revenues:</b>								
Taxes:								
						38,222	-	38,222
						486,467	-	486,467
						51,491	-	51,491
						4,385	-	4,385
						899,637	83,281	982,918
						434	1,363	1,797
						2,376	-	2,376
						250,000	(250,000)	-
						<u>1,733,012</u>	<u>(165,356)</u>	<u>1,567,656</u>
						<u>1,134,110</u>	<u>187,292</u>	<u>1,321,402</u>
						<u>559,827</u>	<u>4,045,874</u>	<u>4,605,701</u>
						<u>50,815</u>	<u>-</u>	<u>50,815</u>
						<u>610,642</u>	<u>4,045,874</u>	<u>4,656,516</u>
						<u>\$ 1,744,752</u>	<u>\$ 4,233,166</u>	<u>\$ 5,977,918</u>

The accompanying notes are an integral part of this statement.

# Basic Financial Statements

## Fund Financial Statements

**Town of Albany, Louisiana**

**Statement C**

**Balance Sheet, Governmental Funds  
As of June 30, 2019**

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash and Equivalents	\$ 94,976	\$ 94,976
Receivables, Net:		
Franchise Taxes	12,770	12,770
Sales Taxes	83,779	83,779
Other	1,240	1,240
Grant Receivable	150,574	150,574
Due From Other Funds	13,220	13,220
Prepaid Insurance	7,208	7,208
Restricted Cash	11,091	11,091
Total Assets	\$ 374,858	\$ 374,858
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 16,863	\$ 16,863
Accrued Salaries	3,220	3,220
Accrued Vacation	5,381	5,381
Other Accrued Liabilities	525	525
Construction Payable	27,155	27,155
Retainage Payable	43,823	43,823
Total Liabilities	96,967	96,967
 <b>Deferred Inflows of Resources:</b>		
Uncollected Grant Receivable	150,574	150,574
Total Deferred Inflows of Resources	150,574	150,574
 <b>Fund Balance:</b>		
Nonspendable, Prepaid Insurance	7,208	7,208
Restricted	11,091	11,091
Unassigned	109,018	109,018
Total Fund Balance	127,317	127,317
 <b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>		
	\$ 374,858	\$ 374,858

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, 2019**

<b>Fund Balances, Total Governmental Funds (Statement C)</b>	<b>\$ 127,317</b>
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.</p>	
Governmental capital assets net of depreciation	1,469,056
Deferred inflows of resources - uncollected grant receivables are not reported on government-wide financial statements.	150,574
Long-term liabilities including capital leases are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(2,195)
<b>Net Position of Governmental Activities (Statement A)</b>	<b>\$ <u>1,744,752</u></b>

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement E

**Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2019**

	General Fund	Total Governmental Funds
<b>Revenues</b>		
Taxes	\$ 576,180	\$ 576,180
Licenses and Permits	94,212	94,212
Intergovernmental	34,876	34,876
FEMA Reimbursements	799,878	799,878
Fines and Forfeitures	67,654	67,654
Grants	8,520	8,520
Interest	434	434
Donations	29,015	29,015
Miscellaneous	2,376	2,376
<b>Total Revenues</b>	1,613,145	1,613,145
<b>Expenditures</b>		
General Government	273,087	273,087
Public Safety:		
Police	395,073	395,073
Fire	5,000	5,000
Mayor's Court	2,900	2,900
Public Works - Streets	106,872	106,872
Park Expenditures	519	519
Capital Outlays	1,059,164	1,059,164
Capital Lease Payments	2,393	2,393
<b>Total Expenditures</b>	1,845,008	1,845,008
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(231,863)	(231,863)
<b>Other Financing Sources (Uses)</b>		
Transfers In	250,000	250,000
Sale of Fixed Assets	-	-
<b>Total Other Financing Sources (Uses)</b>	250,000	250,000
<b>Net Change in Fund Balance</b>	18,137	18,137
<b>Fund Balance, Beginning</b>	109,180	109,180
<b>Fund Balance, Ending</b>	\$ 127,317	\$ 127,317

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 Balance of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2019**

**Net Change in Fund Balances, Total Governmental Funds, Statement E** \$ 18,137

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	1,059,164
Depreciation Expense	(45,343)

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	99,759
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Repayment of capital lease principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,393
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**Change in Net Position of Governmental Activities, Statement B** \$ 1,134,110

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, 2019**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 526,750	\$ 54,943	\$ 581,693
Investments	300,000	-	300,000
Receivables, Net:			
Accounts	166,381	25,416	191,797
Prepaid Insurance	676	675	1,351
Inventory	20,000	-	20,000
Due from Sewer Fund	167	-	167
<b>Total Current Assets</b>	<b>1,013,974</b>	<b>81,034</b>	<b>1,095,008</b>
Restricted Assets:			
Restricted Cash and Cash Equivalents	66,051	3,867	69,918
Restricted Investments	580,000	60,000	640,000
<b>Total Restricted Assets</b>	<b>646,051</b>	<b>63,867</b>	<b>709,918</b>
Property, Plant, and Equipment			
Land	130,429	-	130,429
Construction in Progress	7,156	28,922	36,078
Property, Plant and Equipment, Net	5,084,059	1,493,312	6,577,371
<b>Total Property, Plant, and Equipment</b>	<b>5,221,644</b>	<b>1,522,234</b>	<b>6,743,878</b>
<b>Total Assets</b>	<b>6,881,669</b>	<b>1,667,135</b>	<b>8,548,804</b>
<b>Liabilities</b>			
Current Liabilities (Payable From Current Assets):			
Accounts Payable	19,337	1,076	20,413
Accrued Salary	850	450	1,300
Accrued Vacation	3,336	2,335	5,671
Other Accrued Payables	2,436	1,076	3,512
Due To General Fund	8,961	4,259	13,220
Due To Water Fund	-	167	167
Capital Lease, Current Portion	10,390	-	10,390
<b>Total Current Liabilities (Payable From Current Assets)</b>	<b>45,310</b>	<b>9,363</b>	<b>54,673</b>
Current Liabilities (Payable From Restricted Assets):			
Customer Deposits	118,770	-	118,770
Accrued Interest	10,626	650	11,276
Revenue Bonds Payable	78,425	15,934	94,359
<b>Total Current Liabilities (Payable From Restricted Assets)</b>	<b>207,821</b>	<b>16,584</b>	<b>224,405</b>
Long Term Liabilities:			
Bonds Payable	3,730,754	294,708	4,025,462
Capital Lease Payable	11,098	-	11,098
<b>Total Long Term Liabilities</b>	<b>3,741,852</b>	<b>294,708</b>	<b>4,036,560</b>
<b>Total Liabilities</b>	<b>3,994,983</b>	<b>320,655</b>	<b>4,315,638</b>
<b>Net Position</b>			
Net Investment in Capital Assets	1,390,977	1,211,592	2,602,569
Restricted for:			
Capital Projects and Debt Service	516,655	63,217	579,872
Unrestricted	979,054	71,671	1,050,725
<b>Total Net Position</b>	<b>\$ 2,886,686</b>	<b>\$ 1,346,480</b>	<b>\$ 4,233,166</b>

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, 2019

	Business-Type Activities-		
	Enterprise Funds		
	Water	Sewer	Total
<b>Operating Revenues</b>			
Water Sales	\$ 1,155,362	\$ -	\$ 1,155,362
Sewer Service Charges	-	171,008	171,008
Other	147,245	-	147,245
<b>Total Operating Revenues</b>	<u>1,302,607</u>	<u>171,008</u>	<u>1,473,615</u>
<b>Operating Expenses</b>			
Salaries and Wages	113,687	58,855	172,542
Contract Service	20,599	-	20,599
Depreciation	228,446	119,705	348,151
DHH Fees	24,536	-	24,536
Insurance	26,354	13,603	39,957
Payroll Taxes	8,673	4,411	13,084
Postage	9,715	-	9,715
Professional Fees	42,451	4,984	47,435
Repairs and Maintenance	20,067	7,211	27,278
Retirement	2,833	72	2,905
Supplies	80,086	613	80,699
Training	7,645	-	7,645
Uniforms	6,326	-	6,326
Utilities	21,147	32,082	53,229
Vehicle Expenses	14,571	-	14,571
Workers Compensation	2,719	2,557	5,276
Other	1,497	207	1,704
<b>Total Operating Expenses</b>	<u>631,352</u>	<u>244,300</u>	<u>875,652</u>
<b>Operating Income (Loss)</b>	<u>671,255</u>	<u>(73,292)</u>	<u>597,963</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Income	1,363	-	1,363
Bond Interest Expense	(163,859)	(16,821)	(180,680)
Capital Lease Interest Expense	(1,318)	-	(1,318)
Flood Expenses	(65,049)	-	(65,049)
Billing Fees	-	1,732	1,732
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(228,863)</u>	<u>(15,089)</u>	<u>(243,952)</u>
<b>Income (Loss) Before Transfers &amp; Contributions</b>	<u>442,392</u>	<u>(88,381)</u>	<u>354,011</u>
<b>Transfers and Capital Contributions</b>			
Capital Grants	54,162	29,119	83,281
Operating Transfers Out	(250,000)	-	(250,000)
<b>Change in Net Position</b>	<u>246,554</u>	<u>(59,262)</u>	<u>187,292</u>
<b>Net Position, Beginning</b>	<u>2,640,132</u>	<u>1,405,742</u>	<u>4,045,874</u>
<b>Total Net Position, Ending</b>	<u>\$ 2,886,686</u>	<u>\$ 1,346,480</u>	<u>\$ 4,233,166</u>

The accompanying notes are an integral part of this statement.

**Town of Albany, Louisiana**

**Statement I**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2019**

	Business-Type Activities-		
	Enterprise Funds		
	Water	Sewer	Total
<b>Cash Flows From Operating Activities</b>			
Received From Customers	\$ 1,147,009	\$ 167,142	\$ 1,314,151
Received for Meter Deposit Fees	5,455	-	5,455
Other Receipts	147,245	-	147,245
(Payments for) Received from Interfund Services	51,599	1,631	53,230
Payments for Operations	(268,407)	(73,008)	(341,415)
Payments to Employees	(126,368)	(64,858)	(191,226)
Net Cash Provided (Used) by Operating Activities	956,533	30,907	987,440
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers From (To) Other Funds	(250,000)	-	(250,000)
Billing Fees	-	1,732	1,732
Payments for Flood	(65,049)	-	(65,049)
Net Cash Provided (Used) by Noncapital Financing Activities	(315,049)	1,732	(313,317)
<b>Cash Flows From Capital and Related Financing Activities</b>			
Capital Grants Received	54,162	29,119	83,281
(Payments for) Capital Acquisitions	(50,989)	(28,923)	(79,912)
Principal Proceeds from (Repayments for) Long Term Debt	(53,448)	(15,140)	(68,588)
Interest Payments for Long Term Debt	(165,468)	(16,855)	(182,323)
Net Cash Provided (Used) by Capital and Related Financing Activities	(215,743)	(31,799)	(247,542)
<b>Cash Flows From Investing Activities</b>			
Receipt of Interest	1,363	-	1,363
Purchases of Certificates of Deposit	(880,000)	(60,000)	(940,000)
Net Cash Provided (Used) by Investing Activities	(878,637)	(60,000)	(938,637)
<b>Net Cash Increase (Decrease) in Cash and Cash Equivalents</b>	(452,896)	(59,160)	(512,056)
<b>Cash and Cash Equivalents, Beginning of Year</b>	1,045,697	117,970	1,163,667
<b>Cash and Cash Equivalents, End of Year</b>	\$ 592,801	\$ 58,810	\$ 651,611
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net</b>			
Cash and Cash Equivalents, Unrestricted	\$ 526,750	\$ 54,943	\$ 581,693
Cash and Cash Equivalents, Restricted	66,051	3,867	69,918
Total Cash and Cash Equivalents	\$ 592,801	\$ 58,810	\$ 651,611

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement I

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2019

	Business-Type Activities- Enterprise Funds		
	Water	Sewer	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>			
Operating Income (Loss)	\$ 671,255	\$ (73,292)	\$ 597,963
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	228,446	119,705	348,151
(Increase) decrease in Accounts Receivable	(8,351)	(3,866)	(12,217)
(Increase) decrease in Prepaid Insurance	(676)	(675)	(1,351)
(Increase) decrease in Due (to) and from Other Funds	51,599	1,631	53,230
Increase (decrease) in Accounts Payable	7,402	(13,989)	(6,587)
Increase (decrease) in Accrued Expenses	1,403	1,393	2,796
Increase (decrease) in Customer Deposits	5,455	-	5,455
Net Cash Provided by Operating Activities	<u>\$ 956,533</u>	<u>\$ 30,907</u>	<u>\$ 987,440</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, 2019**

**Introduction**

The Town of Albany, Louisiana (formerly the Village of Albany) was incorporated October 7, 1953, under provision of the Lawrason Act (LSA-RS33:321). 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) north of Interstate 12, with U.S. Highway 190 intersecting the northern part of the Town. The Town's total population was 1,088, as reported by the U.S. Census Bureau, Census 2010. The Town provides police protection, services to maintain and develop streets, drainage, and sanitation, general and administrative services, and utilities services for areas residents. The Town provides services to 2,208 water customers and 459 sewer customers inside and outside of the Town limits. The Town employs fourteen full-time and one part-time employees in addition to the Mayor and Council.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, as amended, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Town 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. 14, as amended, 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. There are no component units of the Town of Albany.

**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.

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net assets (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Town has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, which require capital contributions to the Town to be presented as a change in net position.

**Town of Albany, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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 J – Net Position and Fund Balance*. As required by the Governmental Accounting Standards Board (GASB), the Town implemented GASB Statement No. 63 during the year ending June 30, 2013. The Town recorded deferred inflows of resources of \$150,574 in the general fund at June 30, 2019.

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 I – 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.

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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 *Capital Projects Fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure capital outlays, including the acquisition or construction of capital facilities and other capital assets not reported in the other governmental funds. Capital projects exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments. The Town did not report a *capital project fund* for the current fiscal year ended.

The Town reports the following major proprietary fund:

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.

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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 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:

	<b>Authorized Millage</b>	<b>Levied Millage</b>	<b>Expiration Date</b>
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. 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.

**F. 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.

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**G. 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

**H. Compensated Absences**

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

	<u>Minimum Years of Service</u>					
	1	5	10	15	20	25
Vacation Leave - Days Earned per Year	5	10	15	20	25	30

The Town employees are required to take all accrued vacation leave before December 31, of each year except those employees with ten or more years of service who may be paid up to a maximum of ten days of accrued vacation leave.

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-16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

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**I. 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. 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. The Town did not have any bond related costs in the year ending June 30, 2019.

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.

**J. 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

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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:

- **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.

**K. Comparative Data/Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**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. 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.

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**2. Stewardship, Compliance and Accountability**

The Town uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen 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 Board of Aldermen.
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, 2019, actual revenues and other sources were within five percent of budgeted revenues and other sources, and the Town's actual expenditures and other uses were within five percent of budgeted expenditures and other uses.

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**3. Cash and Cash Equivalents**

At June 30, 2019, the Town has cash and cash equivalents (book balances) as follows:

	<b>June 30, 2019</b>
Cash on Hand	\$ 25
Non-Interest Bearing Demand Deposits	119,276
Interest Bearing Demand Deposits	576,306
Louisiana Asset Management Pool (LAMP)	62,071
	\$ 757,678

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. At June 30, 2019, the Town has \$1,728,660 in deposits. Collected bank balances, other than LAMP, consisted of \$1,666,589 in demand and time deposits. The demand and time deposits are secured by \$377,847 of federal deposit insurance. The remaining \$1,288,742 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.

**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, 2019, is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is 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

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the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprised of the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local governments 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.

LAMP is subject to the regulator oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. 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 LSA-R.S. 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 a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

1. Credit risk: LAMP is rated AAA by Standard and Poor's
2. 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 pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement per paragraph 15 of the GASB 40 statement. However, LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments, as provided by LAMP, is 33 days as of June 30, 2019.
5. Foreign currency risk: Not applicable to 2a7-like pools.

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with 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.

In the current year the Town held \$940,000 in certificates of deposit and is considered a category 1 type of investment. The Town records its LAMP deposits within cash and cash equivalents.

*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.

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**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.

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, 2019 consist of the following:

<b>Government Receivables</b>	<u><b>General Fund</b></u>	<u><b>Total</b></u>
Taxes:		
Public Utility Franchise	\$ 12,770	\$ 12,770
Sales and Use	83,779	83,779
Intergovernmental:		
State of Louisiana, Beer Tax	1,240	1,240
Grant Receivable	150,574	150,574
<b>Total Government Receivables</b>	<u>\$ 248,363</u>	<u>\$ 248,363</u>

The Enterprise Fund accounts receivable at June 30, 2019 consist of the following:

	<b>Year Ended</b>
	<b>June 30, 2019</b>
Accounts Receivable	
Current	\$ 126,327
31 - 60 Days	(1,416)
61 - 90 Days	2,592
Over 90 Days	28,557
Subtotal	<u>156,060</u>
Less Allowance for Bad Debt	<u>(20,000)</u>
Accounts Receivables, Net	136,060
Accrued Billings	55,737
<b>Total Accounts Receivable</b>	<u>\$ 191,797</u>

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**6. Interfund Receivables/Payables**

Interfund receivables or payables in the fund financial statements were as follows as of June 30, 2019.

	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
General Fund	\$ 13,220	\$ -
Enterprise Fund	-	13,220
	\$ 13,220	\$ 13,220
		-
	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 250,000	\$ -
Enterprise Fund	-	250,000
	\$ 250,000	\$ 250,000

These interfund balances were related to FEMA revenues and expenses. Transfers made from the enterprise fund are made to pay for budgeted expenditures for the general fund.

**7. Restricted Assets**

Restricted assets for the Enterprise Fund at June 30, 2019 were as follows:

	<b>June 30 2019</b>
Restricted Cash and Cash Equivalents	
Customer Deposits	\$ 43,620
Bond Reserve Account -Original Non-Parity & Lien Bonds	1,933
Bond Reserve Accounts - Series 2010 Parity Bonds	990
Bond Contingency Account - Original Non-Parity & Lien Bonds	1,933
Bond Contingency Account - Series 2010 Parity Bonds	1,213
Bond Redemption Account	18,855
Bond Short-Lived Asset Account	1,374
Restricted Investments	
Customer Deposits	75,000
Bond Reserve Account -Original Non-Parity & Lien Bonds	30,000
Bond Reserve Accounts - Series 2010 Parity Bonds	175,000
Bond Contingency Account - Original Non-Parity & Lien Bonds	30,000
Bond Contingency Account - Series 2010 Parity Bonds	115,000
Bond Short-Lived Asset Account	215,000
Total Restricted Assets	\$ 709,918

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

Cash in the bond accounts is restricted in accordance with the terms of the bonds. See Note 13 for further information on the restricted cash held related to bonds.

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**8. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2019 for governmental activities is as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
<b>Governmental Activities Capital Assets:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 43,850	\$ -	\$ -	\$ 43,850
Construction in Progress	67,513	- 954,637	-	1,022,150
<b>Total Capital Assets Not Being Depreciated</b>	<u>111,363</u>	<u>954,637</u>	<u>-</u>	<u>1,066,000</u>
Capital Assets Being Depreciated:				
Buildings	-	24,157	-	24,157
Improvements	3,868	-	-	3,868
Vehicles and Equipment	351,568	80,370	-	431,938
Infrastructure - Sidewalks	322,153	-	-	322,153
<b>Total Capital Assets Being Depreciated</b>	<u>677,589</u>	<u>104,527</u>	<u>-</u>	<u>782,116</u>
Less Accumulated Depreciation for:				
Buildings	-	(101)	-	(101)
Improvements	(3,481)	-	-	(3,481)
Vehicles and Equipment	(132,996)	(29,134)	-	(162,130)
Infrastructure - Sidewalks	(197,240)	(16,108)	-	(213,348)
<b>Total Accumulated Depreciation</b>	<u>(333,717)</u>	<u>(45,343)</u>	<u>-</u>	<u>(379,060)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>343,872</u>	<u>59,184</u>	<u>-</u>	<u>403,056</u>
<b>Total Governmental Activities Capital Assets, Net</b>	<u>\$ 455,235</u>	<u>\$ 1,013,821</u>	<u>\$ -</u>	<u>\$ 1,469,056</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,256
Public Safety	13,057
Public Works	31,030
	<u>\$ 45,343</u>

The Town currently has construction in progress for the new Town Hall as of June 30, 2019. Final payment was made in September 2019.

**Town of Albany, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2019**

Capital assets and depreciation activity as of and for the year ended June 30, 2019 for business-type activities is as follows:

<b>Business - Type Activities Capital Assets:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 130,429	\$ -	\$ -	\$ 130,429
Construction in Progress	5,504	30,574	-	36,078
<b>Total Capital Assets Not Being Depreciated</b>	<u>135,933</u>	<u>30,574</u>	<u>-</u>	<u>166,507</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	83,712	-	-	83,712
Vehicles and Equipment	277,425	38,734	-	316,159
Water Utility System	7,320,182	10,604	-	7,330,786
Sewer Utility System	3,822,365	-	-	3,822,365
<b>Total Capital Assets Being Depreciated</b>	<u>11,503,684</u>	<u>49,338</u>	<u>-</u>	<u>11,553,022</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(48,626)	(2,794)	-	(51,420)
Vehicles and Equipment	(172,185)	(31,637)	-	(203,822)
Water Utility System	(2,144,722)	(211,230)	-	(2,355,952)
Sewer Utility System	(2,261,967)	(102,490)	-	(2,364,457)
<b>Total Accumulated Depreciation</b>	<u>(4,627,500)</u>	<u>(348,151)</u>	<u>-</u>	<u>(4,975,651)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>6,876,184</u>	<u>(298,813)</u>	<u>-</u>	<u>6,577,371</u>
<b>Total Business - Type Activities Capital Assets, Net</b>	<u>\$ 7,012,117</u>	<u>\$ (268,239)</u>	<u>\$ -</u>	<u>\$ 6,743,878</u>

The town currently has construction in progress for the maintenance building and the sewer pond. Expected completion is unknown at this time.

**9. Accounts, Salaries, and Other Payables**

Short term payables at June 30, 2019 are as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Accounts	\$ 16,863	\$ 20,413	\$ 37,276
Accrued Interest	-	11,276	11,276
Accrued Payroll Taxes	490	-	490
Other Accrued Payables	35	3,512	3,547
Accrued Vacation	5,381	5,671	11,052
Accrued Salaries	3,220	1,300	4,520
Construction Payable	27,155	-	27,155
Retainage Payable	43,823	-	43,823
<b>Total</b>	<u>\$ 96,967</u>	<u>\$ 42,172</u>	<u>\$ 139,139</u>

**Town of Albany, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**10. Short-Term Debt**

The Town had no short-term debt outstanding at June 30, 2019, other than the current portions of revenue bonds payables described in the long-term debt footnote.

**11. Capital Leases**

The Town has the following capital lease: a capital lease covering Police Radars acquired during the fiscal year ending June 30, 2018, totaling \$7,180 for 0% interest for 36 months. The lease ends in May 2020. The total related accumulated depreciation was \$2,308 at June 30, 2019.

Total expected payments on the lease are as follows:

Year Ending June 30,	<u>Capital Lease Governmental Activities</u>		
	<u>Police Radars</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,195	\$ -	\$ 2,195
	<u>\$ 2,195</u>	<u>\$ -</u>	<u>\$ 2,195</u>

The Town entered into a capital lease purchase agreement on August 21, 2018 with Ford Motor Credit Company for a 2018 Ford F-150 for \$31,188. The lease is for 36 months with a 6.65% interest rate. The total related accumulated depreciation for the truck was \$5,289 at June 30, 2019.

Total expected payments on the lease are as follows:

Year Ending June 30,	<u>Capital Lease Business -Type Activities</u>		
	<u>Ford Truck</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 10,390	\$ 945	\$ 11,335
2021	11,098	465	11,563
	<u>\$ 21,488</u>	<u>\$ 1,410</u>	<u>\$ 22,898</u>

**12. Long-Term Obligations**

The following is a summary of long-term obligation transactions for the year ended June 30, 2019:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Long-Term Obligations</u>
	<u>Capital Leases</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>	<u>Revenue Bonds</u>	
	Beginning Balance	\$ 4,588	\$ -	\$ -	
Additions	31,188	-	-	-	31,188
Deletions	12,093	-	-	90,077	102,170
Ending Balance	<u>\$ 23,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,119,821</u>	<u>\$ 4,143,504</u>

Interest incurred and recorded as an expense in the Statement of Activities was \$181,998 for the Business-Type Activities.

**Town of Albany, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2019**

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of the long-term obligations:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Long-Term Obligations</u>
	<u>Capital</u>		<u>Capital</u>		
	<u>Leases</u>	<u>Revenue Bonds</u>	<u>Leases</u>	<u>Revenue Bonds</u>	
Current Portion	\$ 2,195	\$ -	\$ 10,390	\$ 94,359	\$ 106,944
Long-Term Portion	-	-	11,098	4,025,462	4,036,560
	<u>\$ 2,195</u>	<u>\$ -</u>	<u>\$ 21,488</u>	<u>\$ 4,119,821</u>	<u>\$ 4,143,504</u>

Bonds Payable as of June 30, 2019 are as follows:

	<u>Bonds Payable End of Year</u>	<u>Due Within One Year</u>
Business Type Fund: \$ 575,000		
Water Revenue Bonds - RUS Bonds 91-02 sold to Rural Utility Service (RUS)		
Dated 2/25/1988 due in annual installments of principal and interest of		
\$ 37,277 over a 40 year period with interest at 5.75%	\$ 253,458	\$ 22,703
Business Type Fund: \$ 455,000		
Sewer Revenue Bonds - RUS Bonds 92-03 sold to Rural Utility Service (RUS)		
Dated 4/13/1993 due in monthly installments of principal and interest of		
\$ 2,289 through April 13, 2033 with interest at 5.25%	268,666	13,689
Business Type Fund: \$ 75,000		
Sewer Revenue Bonds - RUS Bonds 92-05 sold to Rural Utility Service (RUS)		
Dated 4/13/1993 due in monthly installments of principal and interest of		
\$ 377 through April 13, 2033 with interest at 5.25%	41,978	2,245
Business Type Fund: \$ 191,000		
Water Revenue Bonds - RUS Bonds 91-07 sold to Rural Utility Service (RUS)		
Dated 10/17/2006 due in monthly installments of principal and interest of		
\$ 844 through October 17, 2046 with interest at 4.375%	161,033	3,145
Business Type Fund: \$ 3,706,000		
Water Revenue Bonds - RUS Bonds Series 2010 sold to Rural Utility Services (RUS)		
Dated 7/20/2011 due in monthly installments of principal and interest of		
\$ 15,973 through July 17, 2051 with interest at 4.125%	3,394,686	52,577
	<u>\$ 4,119,821</u>	<u>\$ 94,359</u>

**Town of Albany, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2019**

The annual requirements to amortize all bonded debt outstanding at June 30, 2019, including interest payments of \$3,031,139 are as follows:

Year Ending June 30	Rural Utility Services					Total
	Water Bonds 91-02	Sewer Bonds 92-03	Sewer Bonds 92-05	Water Bonds 06-01	Water Bonds Series 2010	
2020	\$ 37,277	\$ 27,468	\$ 4,527	\$ 10,131	\$ 191,676	\$ 271,079
2021	37,277	27,468	4,527	10,131	191,676	271,079
2022	37,277	27,468	4,527	10,131	191,676	271,079
2023	37,277	27,468	4,527	10,131	191,676	271,079
2024	37,277	27,468	4,527	10,131	191,676	271,079
2025 to 2029	144,363	137,340	22,635	50,653	958,380	1,313,371
2030 to 2034		102,473	12,788	50,653	958,380	1,124,294
2035 to 2039	-	-	-	50,653	958,380	1,009,033
2040 to 2044	-	-	-	50,653	958,380	1,009,033
2045 to 2049	-	-	-	22,596	958,380	980,976
2050 to 2052	-	-	-	-	358,858	358,858
	<u>\$ 330,748</u>	<u>\$ 377,153</u>	<u>\$ 58,058</u>	<u>\$ 275,863</u>	<u>\$ 6,109,138</u>	<u>\$ 7,150,960</u>

**13. Flow of Funds, Restrictions on Use – Utilities Revenues**

Long-term debt as of June 30, 2019 consists of five utility bonds as described in the Long-Term Debt Obligations footnote. The terms and details of each revenue bond issue are described below.

A resolution authorizing the issuance of \$575,000 of Water Revenue Parity Bonds of the Town of Albany, Louisiana, State of Louisiana, to acquire and construct improvements and extensions to the waterworks system of the Town was adopted December 14, 1987. The bonds were sold to Rural Utility Service (RUS) at the authorized issue amount of \$575,000 and are due in forty annual payments with interest calculated on unpaid principal at a rate of five and three-fourths percent per annum. The Town may prepay the whole or any part of the principal amount of any installment at any time in inverse chronological order at the principal amount thereof and accrued interest to the date fixed for prepayment. Under the terms of the bond proceeds to the Town, the revenue bonds are secured in regards to payment of principal and interest by the revenues derived from the operation of the water utility system of the Town after provision has been made for payment of the reasonable and necessary expenses of administering, operating, and maintaining the system.

A resolution authorizing the issuance of \$530,000 of Sewer Revenue Non-Parity Bonds of the Town of Albany, Louisiana, State of Louisiana, for the improvement and construction of a sewerage system of the Town was adopted October 14, 1991. The bonds were sold to Rural Utility Service (RUS) at separate revenue bond issue amounts of \$455,000 and \$75,000 (totaling \$530,000) and are due in monthly installments of \$2,666 (\$2,289 for the \$455,000 bonds and \$377 for the \$75,000 bonds) for forty years with interest at a rate of five and one-fourth percent per annum. The Town may repay the whole or any part of the principal amount at any time. Under the terms of the bond proceeds to the Town, the revenue bonds are secured in regards to payment of principal and interest by the revenues derived from the operation of the sewer utility system of the Town after provision has been made for payment of the reasonable and necessary expenses of administering, operating, and maintaining the system.

A resolution authorizing the issuance of \$191,000 of Water Revenue Parity Bonds of the Town of Albany, Louisiana, State of Louisiana, for the construction and completion of water improvements was adopted February

**Town of Albany, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2019**

13, 2006. The bonds were sold to Rural Utility Service (RUS) at \$191,000 and are due in monthly installments of \$844 for forty years with interest at a rate of 4.375 percent per annum. The Town may repay the whole or any part of the principal amount at any time. Under the terms of the bond proceeds to the Town, the revenue bonds are secured in regards to payment of principal and interest by the revenues derived from the operation of the water utility system of the Town after provision has been made for payment of the reasonable and necessary expenses of administering, operating, and maintaining the system.

The Town of Albany issued \$3,706,000 of Water Revenue Parity Bonds, Series 2010, dated July 20, 2011 and sold to the United States of America, Rural Development. Under a Letter of Conditions, dated January 18, 2007 with the United States Department of Agriculture (USDA), Rural Development, the Town was provided a maximum of \$3,706,000 in loan funds, and a maximum of \$1,038,000 from a Rural Development Grant for completion of the construction project. The bonds are due in monthly installments of \$15,973 for forty years with interest at a rate of 4.125 percent per annum. Under the terms of the bond proceeds to the Town, the bonds, equally with outstanding parity bonds, are secured in regards to payment of principal and interest by the revenue derived from the operation of the water utility system of the Town after provision has been made for payment of reasonable and necessary expenses of operating and maintaining the system. The Series 2010, Water Revenue Bonds, were issued to pay the construction interim financings costs and to pay the costs of loan closing.

Principal payments of \$16,732 and interest payments of \$15,263 were made on the sewer bonds. The gross sewer utility revenue recognized during the current year was \$171,008. Principal payments of \$74,936 and interest payments of \$164,148 were made on the water bonds. The gross water utility revenue recognized during the current year was \$1,302,607.

Provisions of the utility revenue bonds require deposit of funds on a monthly basis to provide additional security for payment of bond sinking fund installments and to provide a reserve for system repairs and enhancements. Requirements and funding of these reserves are as follows:

Each month there will be set aside into a fund called "Bond and Interest Sinking (Redemption) Fund" a sum equal to one-twelfth of the interest due on the next interest payment due, and, in addition, a sum equal to one-twelfth of the principal payment due, together with such proportionate sum as may be required as the same respectfully become due on such date. Money in the Sinking Funds shall be deposited as Trust Funds and shall be fully sufficient to assure the prompt payment of the principal and interest installments as they become due, and may be used only for such payments. At fiscal year-end, one bond (Bond 91-02 at an original issue of \$575,000) requires monthly sinking fund installments, with the remaining bond sinking fund payments drafted monthly from the accounts of the Town of Albany. As of June 30, 2019, the Sinking Fund account balance was \$18,855, and was fully funded.

Provisions for the "Utility System Bond Reserve Fund" (the Reserve Fund) require deposit of a sum equal to five percent of the monthly bond payment, with the maximum funding requirement equal to the highest succeeding annual debt service requirement. With the funding of the Water Revenue Parity Bonds, Series 2010, the deposit requirements were split between non-parity and bonds issued in parity. As of June 30, 2019, non-parity debt issues consist of the following:

- 1) Bonds 92-03 at an original issue of \$455,000.
- 2) Bond 92-05 at an original issue of \$75,000.

The Reserve Fund for non-parity issues at June 30, 2019 totaled \$31,995, and was fully-funded, exceeding the highest succeeding annual installment for the non-parity debt issues of \$31,995. Within the bond listing above, Bond 91-01 (1977 Bonds) is referred to as "Outstanding Prior Lien Bonds" in the Series 2010 bond documents. However, only the parity bonds listed below have separate combined bond payment requirements:

**Town of Albany, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2019**

- 1) Bond 91-02 at an original issue of \$575,000.
- 2) Bond 91-07 at an original issue of \$191,000.
- 3) Bond 92-08 (the Series 2010 Issue) at an original issue of \$3,706,000.

Since the parity bonds have combined payment requirements for the Series 2010 Reserve Fund, the balance remaining in the original Reserve Fund, after fully funding the non-parity bond issues listed above, was transferred to a separate Series 2010 Reserve Fund. The actual balance for the Series 2010 Reserve Fund at June 30, 2019, of \$97,832, equaled the required balance. The monthly payment requirement for the Series 2010 Reserve Fund increased to \$996 per month effective July 2012. As of June 30, 2019, the Series 2010 Reserve Fund for parity bonds maintained a balance of \$175,990, below the highest annual debt service of \$239,084 in succeeding years.

For the non-parity bond issues listed above, the original bond covenants required that that a total of \$454 per month (\$180 per month for Bond 91-01, and 5% of the monthly bond payment for bonds 92-03 at \$127 per month, and 92-05 at \$147 per month) will also be set into a "Depreciation and Contingency Fund" after completion of the projects financed with bond funds. Bond 91-01 required a continual monthly payment of \$180, whereas Bonds 92-03 and 92-05 required monthly payments of 5% of the monthly bond installment until the accumulated amounts in the fund equal to the maximum succeeding annual installment. Monthly bond installments at June 30, 2019, for Bonds 92-03 and 92-05 exceeded the maximum succeeding annual installments of \$31,995. The Town made its final payment on Bonds 91-01 during the fiscal year June 30, 2018 so there will no longer be a requirement to set \$180 into the "Depreciation and Contingency Fund." The Series 2010 Bonds (Bond 92-08) require that proceeds for the non-parity and parity bond issues be placed into a separate Series 2010 Bond Depreciation and Contingency Fund. For the bonds issued in parity with the Series 2010 Bonds (as listed above), bond covenants require, by the 20<sup>th</sup> of each month, deposit of a sum equal to five percent of the monthly bond payment, and when the balance of the Series 2010 Bond Depreciation and Contingency reaches an amount equal to Bond Reserve Requirement, the 5% monthly installment is to be placed in the Series 2010 Reserve Fund. Beginning August 2011, the 5% monthly installment for the Series 2010 Reserve Fund totaled \$835 per month, increasing to \$996 on August 20, 2012. The money in this fund will be used for making extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition, enhance its revenue-producing capacity, or provide for a higher degree of service for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for the other bond funds. During the fiscal year ending June 30, 2019, the Series 2010 Depreciation and Contingency Fund payments were made and the account was fully funded at June 30, 2019, with a balance of \$31,995.

The Series 2010 Bond Covenants also require that monthly deposits be made into a "Short Lived Asset Fund" after completion of the project at the rate of \$2,917 per month for parity bonds over the life of the bonds. During the fiscal year ending June 30, 2019, the Short Lived Asset Fund was fully-funded with a balance of \$216,374.

All the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

#### **14. 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, 2019 was \$9,354.

**Town of Albany, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**15. Restricted, Committed, and Assigned Fund Balances/ Restricted Net Position**

At June 30, 2019, the proprietary fund had restricted net position of \$579,872, representing the Town's funds restricted by revenue bond debt covenants and contracts with customers for meter deposits, net of the related liability.

**16. 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.

**17. Contingent Liabilities**

At June 30, 2019, the Town was not involved in any outstanding litigation or claims requiring adjustment or disclosure.

**18. On-Behalf Payments for Fringe Benefits and Salaries**

For the fiscal year ended June 30, 2019, 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 \$30,491 of on-behalf payments as revenue and as an expenditure in the General Fund.

**19. Construction Commitments**

There are no construction commitments at June 30, 2019.

**20. Lease agreements**

On August 14, 2016, the Town Hall of Albany was completely destroyed by flooding. In addition to the complete destruction of the Town Hall building, a police unit was also destroyed due to flooding. The Town entered into an agreement for rental of an old health unit building for a temporary Town Hall location for \$5,335 per month. As of June 30, 2019 the Town no longer leases the old health unit building. At June 30, 2019, rent expense totaling \$64,020 was recorded in the Utility Fund as Flood Expenses.

**Town of Albany, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**21. Prior Period Adjustments**

**Governmental Activities**

Beginning Net Position, Before Prior Period Adjustment	\$ 559,827
To record prior period grant receivable	
Capital grant revenue	<u>50,815</u>
Restated Beginning Net Postion, After Prior Period Adjustment	<u><u>\$ 610,642</u></u>

In the previous year the Town had construction in progress for the new town hall, which \$50,815 was to be reimbursed from FEMA. The Town did not receive this reimbursement until February 2019. In the general fund, this amount would not be recorded as a revenue, but would be in the government-wide financial statements.

**22. Subsequent Events**

Subsequent events have been evaluated by management through December 10, 2019, 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, 2019.

The Town is expected to begin repairs to its wastewater treatment plant that was damaged during the flood. The total expected cost is \$440,000. This Town is expecting to receive 90% of the funding through FEMA.

## 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, 2019

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Sales and Use Taxes	\$ 400,300	\$ 470,500	\$ 486,467	\$ 15,967
Ad Valorem Tax	35,400	35,400	38,222	2,822
Public Utility Franchise Taxes	40,500	40,500	51,491	10,991
Licenses, Permits and Fees:				
Business Licenses	106,500	90,300	94,212	3,912
Intergovernmental:				
FEMA Reimbursements	1,017,000	881,000	799,878	(81,122)
Louisiana Beer Tax Distribution	3,600	3,600	4,385	785
Police Revenue:				
Fines and Forfeitures	62,200	62,900	67,654	4,754
State Supplemental Pay	24,000	30,500	30,491	(9)
Donations	-	-	5,850	5,850
State Grants				
Law Enforcement Grants	5,000	8,520	8,520	-
Other Revenues				
Park Donations	2,500	22,500	23,165	665
Interest	200	400	434	34
Miscellaneous	3,200	3,300	2,376	(924)
Total Revenues	<u>1,700,400</u>	<u>1,649,420</u>	<u>1,613,145</u>	<u>(36,275)</u>

(Continued)

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, 2019

Expenditures	Budgeted Amounts		Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)
	Original	Final		
General Government				
Advertising & Printing	\$ 1,300	\$ 1,200	\$ 1,114	\$ 86
Assessor	500	525	-	525
Beautification	-	5,000	-	5,000
Building & Ground Maintenance	2,000	700	2,939	(2,239)
Building Inspector	-	100	182	(82)
Capital Outlays, Building	1,130,000	1,003,900	991,542	12,358
Conferences	4,100	6,700	6,370	330
Contract Labor	1,100	1,100	-	1,100
Coroner's Fees	400	400	500	(100)
Dues, Subscriptions, Meetings	1,800	2,600	3,412	(812)
Election Expense	500	300	280	20
Flood Expenses	2,150	-	1,488	(1,488)
Insurance	49,700	20,800	17,011	3,789
Internet	1,100	1,300	1,657	(357)
Janitorial Salary & Supplies	3,500	4,400	4,410	(10)
Kitchen Supplies	3,000	3,300	3,315	(15)
Legal	3,000	3,000	-	3,000
Miscellaneous Expense	3,900	2,500	5,282	(2,782)
Office Expenditures	6,900	14,700	15,482	(782)
Official Journal	1,600	2,100	2,293	(193)
Payroll Tax Expense	12,700	12,600	12,239	361
Permit Fees	-	300	-	300
Professional Services	43,700	27,900	26,259	1,641
Retirement	3,700	1,100	1,056	44
Salaries, Building Officeial	45,800	45,800	35,200	10,600
Salaries, Clerical	77,400	77,400	78,170	(770)
Salaries, Mayor & Alderman	42,600	42,600	42,600	-
Telephone	1,800	1,500	1,916	(416)
Training	400	300	279	21
Unemployment	300	300	-	300
Uniforms	-	-	446	(446)
Worker's Compensation	858	2,800	9,187	(6,387)
Total General Government	<u>1,445,808</u>	<u>1,287,225</u>	<u>1,264,629</u>	<u>22,596</u>

(Continued)

See independent 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, 2019

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)
	Original	Final		
<b>Public Safety</b>				
Auto Fuel	\$ 15,000	\$ 19,600	\$ 19,853	\$ (253)
Auto Repairs	15,000	19,200	19,723	(523)
Capital Outlays	5,000	50,400	43,465	6,935
Conferences	300	300	222	78
Insurance	-	25,000	23,447	1,553
Other Police Expense	6,100	1,900	6,951	(5,051)
Payroll Taxes	18,650	19,600	20,185	(585)
Post Officer Training	-	5,850	-	5,850
Retirement	4,100	4,400	4,490	(90)
Salaries, Police Department	221,900	209,300	217,970	(8,670)
Salaries, Overtime	-	8,300	7,440	860
Salaries, Supplemental Pay	24,000	30,500	30,491	9
Salaries, Grant Overtime	5,000	4,200	7,706	(3,506)
Supplies	7,000	5,600	6,273	(673)
Telephone & Utilities	7,400	4,500	5,641	(1,141)
Training	3,000	400	1,433	(1,033)
Uniforms	-	1,000	3,540	(2,540)
Law Enforcement	5,600	5,700	5,774	(74)
Lease Payments, Interest	1,350	-	-	-
Lease Payments, Principal	9,500	2,400	2,393	7
Witness Fees	600	700	800	(100)
Workers Compensation	15,276	16,600	13,134	3,466
Total Police Department	<u>364,776</u>	<u>435,450</u>	<u>440,931</u>	<u>(5,481)</u>
<b>Mayor's Court</b>				
Court Magistrate	1,200	1,700	1,700	-
Salary, Court Clerk	500	1,200	1,200	-
Total Mayor's Court	<u>1,700</u>	<u>2,900</u>	<u>2,900</u>	<u>-</u>
<b>Streets, Drainage, &amp; Sanitation</b>				
Animal Control	100	100	-	100
Capital Outlays	2,900	2,900	-	2,900
Dump Truck, Streets	800	800	-	800
Equipment Repairs	2,500	2,500	-	2,500
Insurance	-	17,400	17,319	81
Materials & Supplies	3,100	1,400	440	960
Other Expenses, Streets	1,500	3,000	3,181	(181)
Payroll Taxes	4,400	4,300	4,390	(90)
Retirement	800	900	903	(3)
Salaries	57,375	56,300	57,155	(855)
Sanitation, Collection Expenses	1,200	3,600	3,687	(87)
Street & Drainage Improvements	15,000	10,200	650	9,550
Street Lights	21,400	15,900	16,588	(688)
Workers Compensation	7,454	3,100	2,559	541
Total Streets and Parks	<u>118,529</u>	<u>122,400</u>	<u>106,872</u>	<u>15,528</u>

(Continued)

See independent 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, 2019

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)
	Original	Final		
<b>Other</b>				
Fire Protection	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
J&N Park Capital Outlay	-	23,400	24,157	(757)
J&N Park Other Expenses	1,000	-	519	(519)
Total Other	<u>6,000</u>	<u>28,400</u>	<u>29,676</u>	<u>(1,276)</u>
Total Expenditures	<u>1,936,813</u>	<u>1,876,375</u>	<u>1,845,008</u>	<u>31,367</u>
Excess Revenues (Expenditures)	(236,413)	(226,955)	(231,863)	(4,908)
<b>Other Financing Sources (Uses)</b>				
Transfers In	40,000	250,000	250,000	-
CDBG - DR Funds	200,000	-	-	-
Sale of Fixed Assets	1,000	-	-	-
Total Other Financing Sources (Uses)	<u>241,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>4,587</u>	<u>23,045</u>	<u>18,137</u>	<u>(4,908)</u>
<b>Fund Balance, Beginning</b>	<u>132,764</u>	<u>109,180</u>	<u>109,180</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 137,351</u>	<u>\$ 132,225</u>	<u>\$ 127,317</u>	<u>\$ (4,908)</u>

(Concluded)

See independent 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, 2019

	Water	Sewer	Total
<b>Operating Revenues</b>			
Water Sales	\$ 1,155,362	\$ -	\$ 1,155,362
Sewer Service Charges	-	171,008	171,008
Other	147,245	-	147,245
<b>Total Operating Revenues</b>	<u>1,302,607</u>	<u>171,008</u>	<u>1,473,615</u>
<b>Operating Expenses</b>			
Salaries and Wages	113,687	58,855	172,542
Bad Debt	-	-	-
Contract Service	20,599	-	20,599
Depreciation	228,446	119,705	348,151
DHH Fees	24,536	-	24,536
Insurance	26,354	13,603	39,957
Payroll Taxes	8,673	4,411	13,084
Postage	9,715	-	9,715
Professional Fees	42,451	4,984	47,435
Repairs and Maintenance	20,067	7,211	27,278
Retirement	2,833	72	2,905
Supplies	80,086	613	80,699
Training	7,645	-	7,645
Uniforms	6,326	-	6,326
Utilities	21,147	32,082	53,229
Vehicle Expenses	14,571	-	14,571
Workers Compensation	2,719	2,557	5,276
Other	1,497	207	1,704
<b>Total Operating Expenses</b>	<u>631,352</u>	<u>244,300</u>	<u>875,652</u>
<b>Operating Income (Loss)</b>	<u>671,255</u>	<u>(73,292)</u>	<u>597,963</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Income	1,363	-	1,363
Bond Interest Expense	(163,859)	(16,821)	(180,680)
Capital Lease Interest Expense	(1,318)	-	(1,318)
Flood Expenses	(65,049)	-	(65,049)
Billing Fees	-	1,732	1,732
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(228,863)</u>	<u>(15,089)</u>	<u>(243,952)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>442,392</u>	<u>(88,381)</u>	<u>354,011</u>
<b>Transfers and Capital Contributions</b>			
Capital Grants	54,162	29,119	83,281
Operating Transfers Out	(250,000)	-	(250,000)
<b>Change in Net Position</b>	<u>246,554</u>	<u>(59,262)</u>	<u>187,292</u>
<b>Total Net Position, Beginning</b>			<u>4,045,874</u>
<b>Total Net Position, Ending</b>			<u>\$ 4,233,166</u>

See independent 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, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues</b>			
Water Sales	\$ 1,151,000	\$ 1,155,362	\$ 4,362
Other	138,100	147,245	9,145
<b>Total Operating Revenues</b>	<u>1,289,100</u>	<u>1,302,607</u>	<u>13,507</u>
<b>Operating Expenses</b>			
Salaries and Wages	110,800	113,687	(2,887)
Bad Debt	800	-	800
Contract Service	23,000	20,599	2,401
Depreciation	244,400	228,446	15,954
DHH Fees	24,300	24,536	(236)
Insurance	24,500	26,354	(1,854)
Payroll Taxes	8,600	8,673	(73)
Postage	9,700	9,715	(15)
Professional Fees	55,700	42,451	13,249
Repairs and Maintenance	19,800	20,067	(267)
Retirement	2,800	2,833	(33)
Supplies	60,600	80,086	(19,486)
Training	7,100	7,645	(545)
Uniforms	6,100	6,326	(226)
Utilities	20,800	21,147	(347)
Vehicle Expenses	16,100	14,571	1,529
Workers Compensation	2,300	2,719	(419)
Other	2,300	1,497	803
<b>Total Operating Expenses</b>	<u>639,700</u>	<u>631,352</u>	<u>8,348</u>
<b>Operating Income (Loss)</b>	<u>649,400</u>	<u>671,255</u>	<u>21,855</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Income	1,200	1,363	163
Bond Interest Expense	(179,100)	(163,859)	15,241
Capital Lease Interest Expense	-	(1,318)	(1,318)
Flood Expenses	(80,300)	(65,049)	15,251
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(258,200)</u>	<u>(228,863)</u>	<u>29,337</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>391,200</u>	<u>442,392</u>	<u>51,192</u>
<b>Contributions and Transfers</b>			
Capital Grants	83,300	54,162	(29,138)
Operating Transfers Out	(250,000)	(250,000)	-
<b>Change in Net Position</b>	<u>\$ 224,500</u>	<u>\$ 246,554</u>	<u>\$ 22,054</u>

See independent 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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Operating Revenues</b>			
Sewer Charges	\$ 171,600	\$ 171,008	\$ (592)
<b>Total Operating Revenues</b>	<u>171,600</u>	<u>171,008</u>	<u>(592)</u>
<b>Operating Expenses</b>			
Salaries and Wages	57,100	58,855	(1,755)
Bad Debt	800	-	800
Depreciation	131,300	119,705	11,595
Insurance	15,500	13,603	1,897
Payroll Taxes	4,400	4,411	(11)
Professional Fees	5,000	4,984	16
Repairs and Maintenance	22,700	7,211	15,489
Retirement	100	72	28
Supplies	5,600	613	4,987
Utilities	32,000	32,082	(82)
Workers Compensation	2,200	2,557	(357)
Other	4,100	207	3,893
<b>Total Operating Expenses</b>	<u>280,800</u>	<u>244,300</u>	<u>36,500</u>
<b>Operating Income (Loss)</b>	<u>(109,200)</u>	<u>(73,292)</u>	<u>35,908</u>
<b>Nonoperating Revenues (Expenses)</b>			
Capital Grants	-	29,119	29,119
Interest Income	100	-	(100)
Billing Fees	-	1,732	1,732
Bond Interest Expense	(20,900)	(16,821)	4,079
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(20,800)</u>	<u>14,030</u>	<u>34,830</u>
<b>Income (Loss) Before Contributions and</b>	<u>(130,000)</u>	<u>(59,262)</u>	<u>70,738</u>
<b>Contributions and Transfers</b>			
Capital Grants	-	-	-
<b>Change in Net Position</b>	<u>\$ (130,000)</u>	<u>\$ (59,262)</u>	<u>\$ 70,738</u>

See independent auditor's report.

**Town of Albany, Louisiana**

**Schedule 5**

**Schedule of Water and Sewer Rates – Proprietary Fund Type  
For the Year Ended June 30, 2019**

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 independent auditor's report.

Town of Albany, Louisiana

Schedule 6

Schedule of Number of Customers – Proprietary Fund Type  
For the Year Ended June 30, 2019

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Water	2,106	102	2,208
Sewer	405	54	459
Total	<u>2,511</u>	<u>156</u>	<u>2,667</u>

See independent auditor's report.

Town of Albany, Louisiana

Schedule 7

Schedule of Insurance  
For the Year Ended June 30, 2019

Insurance Company / Policy Number	Coverage	Amount	Period	
			1/15/2019 to	1/15/2020
Risk Management, Inc. 1004-2019-17015	Commercial General Liability			
	Premises Operations	\$ 500,000	Per Occurrence	
	Products- Completed Operations Aggregate Limit	500,000		
	Fire Legal Liability	50,000	Per Occurrence	
	Medical Expense Limit (any one person)	Excluded		
	Per Person	1,000		
	Per Accident	10,000		
	Law Enforcement Liability:			
	Personal Injury and Property Damage	500,000		
	Deductible	1,000		
	Errors and Omissions			
	Errors and Omissions	500,000		
	Deductible	1,000		
	Business Auto:			
	Bodily Injury and Property Damage	500,000		
EMC Insurance Company Policy #5A9-87-05---20	Commercial Property:			
	Business Personal Property	3,001,508		
	Electronic Data Processing Equipment	50,000		
	Electronic Data Processing Data & Media	50,000		
	Business Income and Extra Expense	100,000		
	Additional Coverages			
	Debris Removal-additional amount at each described premises	5,000		
	Employee Tools	5,000		
	Pollution Cleanup and Removal-	25,000		
	Rental Reimbursement Limit	5,000		
	Spare Parts and Fuel	5,000		
	Contractor's Equipment - Leased or Rented	25,000		
	Commercial Inland Marine Coverage			
	Items Listed in Policy	282,075		
	Government Crime Coverage			
	Employee Theft-Per Loss Coverage	50,000		
	Forgery or Alteration	25,000		
	Inside the Premises-Theft of Money and Securities	20,000		
	Outside the Premises	10,000		
Selective Insurance FLD 2545022	Flood Insurance - Town Hall			
	Building Coverage	500,000	6/13/2019 to	6/13/2020
	Contents Coverage	100,000		
FLD 2559781	Flood Insurance - Maintenance Building			
	Building Coverage	100,000	6/12/2019 to	6/12/2020
	Contents Coverage	100,000		
Risk Management, Inc. WC-153	Workers' Compensation	Statutory Limits	1/1/2019 to	1/1/2020
CNA Surety Bond 01507681	Fidelity Bond	5,000	10/15/2018 to	10/15/2019
CNA Surety Bond 18143978	Fidelity Bond	200,000	2/13/2019 to	2/13/2020

See independent auditor's report.

**Town of Albany, Louisiana**

**Schedule 8**

**Schedule of Compensation Paid to Board Members  
For the Year Ended June 30, 2019**

<u>Name</u>	<u>Address/Phone Number</u>	<u>Compensation Received</u>
Lloyd Gene Glasscock, Mayor (Term Ended 12/31/18)	Post Office Box 89 Albany, LA 70711 (225) 567-9486	\$ 8,400
Eileen Bates McCarroll, Mayor	Post Office Box 1 Albany, LA 70711 225-939-7967	8,400
Kim Stewart, Councilwoman	Post Office Box 1346 Albany, LA 70711 (985) 320-0801	5,160
Edmond Harris, Councilman (Term Ended 12/31/18)	Post Office Box 105 Albany, LA 70711 (225) 567-3133	2,580
Ronnie Gregoire, Councilman	Post Office Box 243 Albany, LA 70711 (985) 507-3176	2,580
Jerry Glascock, Councilman	Post Office Box 1183 Albany, LA 70711 (985) 969-4945	5,160
Lloyd Martin, Councilman	Post Office Box 146 Albany, LA 70711 (225) 567-2093	5,160
Gerald Stilley, Councilman	Post Office Box 363 Albany, LA 70711 (225) 567-9723	5,160
		\$ <u>42,600</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 12/31/22.

See independent auditor's report.

Town of Albany, Louisiana

Schedule 9

Schedule of Compensation, Benefits, and Other Payments to Agency  
For the Year Ended June 30, 2019

Agency Head Name: Lloyd Gene Glascock, Mayor (July 1, 2018 - December 31, 2018)

Purpose	Amount
Salary	\$ 8,400
Conferences	202
Cell Phone	180
<b>Total</b>	<b>\$ <u>8,782</u></b>

Agency Head Name: Eileen Bates McCarroll, Mayor (January 1, 2019 - June 30, 2019)

Purpose	Amount
Salary	\$ 8,400
Reimbursements	482
<b>Total</b>	<b>\$ <u><u>8,882</u></u></b>

See independent auditor's report.

**Town of Albany, Louisiana**

**Schedule 10**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019**

<u>Federal Grantor, Pass-Through Grantor, Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantor's Number</u>	<u>Federal Expenditures</u>
United States Department of Homeland Security Passed through from the Louisiana Governor's Office of Homeland Security and Emergency Preparedness: Disaster Grant - Public Assistance	97.036	N/A	\$ 792,239
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u><u>792,239</u></u></b>

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Albany and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

See independent auditor's report.

## Other Independent Auditor's Reports and Findings and Recommendations

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Megan E. Lynch, CPA  
Christie J. Barado  
B. Jacob Steib  
Connor J. Collura  
Sharon B. Bravata  
Krystal L. Waddell  
Debbie G. Faust, EA



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Member of  
American Institute of CPAs  
Society of Louisiana CPAs

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 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Albany's basic financial statements, and have issued our report thereon dated December 10, 2019.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses and are identified as items 2019-001 to 2019-002.

**Compliance and Other Matters**

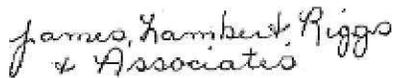
As part of obtaining reasonable assurance about whether the Town of Albany’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

**Town of Albany, Louisiana’s Response to Findings**

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

**Purpose of this Report**

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



James, Lambert, Riggs and Associates, Inc.  
Hammond, Louisiana

December 10, 2019

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Megan E. Lynch, CPA  
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& ASSOCIATES, INC.**  
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American Institute of CPAs  
Society of Louisiana CPAs

Independent Auditor's Report on Compliance for Each Major Program and on  
Internal Control over Compliance Required by the Uniform Guidance

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

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Albany, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Albany, Louisiana's major federal programs for the year ended June 30, 2019. The Town of Albany, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town of Albany, Louisiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Albany, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Albany, Louisiana's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Town of Albany, Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## Report on Internal Control over Compliance

Management of the Town of Albany, Louisiana is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Albany, Louisiana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Albany, Louisiana's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*James Lambert Riggs  
& Associates*

James, Lambert, Riggs and Associates, Inc.  
Hammond, Louisiana

December 10, 2019

**Town of Albany, Louisiana**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019**

We have audited the basic financial statements of the Town of Albany, Louisiana as of and for the year ended June 30, 2019, and have issued our report thereon dated December 10, 2019. 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	<u>X</u>	Yes	___	No
Significant Deficiencies	___	Yes	<u>X</u>	No
Compliance:				
Compliance Material to the Financial Statements	___	Yes	<u>X</u>	No
Was a management letter issued?	___	Yes	<u>X</u>	No

2. Federal Awards

Type of Opinion on Compliance for Major Programs	<u>X</u>	Unmodified	___	Modified
	___	Disclaimer	___	Adverse
Internal Control:				
Material Weakness	___	Yes	<u>X</u>	No
Significant Deficiencies	___	Yes	<u>X</u>	No
Are there findings required to be reported in accordance with the Uniform Guidance?				
	___	Yes	<u>X</u>	No

3. Identification of Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program (or Cluster)</u>
97.036	Disaster Grants: Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance?  
\_\_\_ Yes X No

Town of Albany, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

Section II – Financial Statement Findings

Internal Control over Financial Reporting

2019-001 – Lack of Adequate Internal Controls over Moveable Property

**Condition:**

During our audit and testing of the internal control procedures over moveable property, we noted several weaknesses in internal controls over moveable property that if not corrected could result in errors, irregularities or fraud occurring that could be material to the financial statements and not be detected or prevented in a timely manner by employees performing their assigned functions. The weaknesses we noted are summarized as follows:

- The Town is not following best practices and state law that requires identification tags be affixed to all moveable property exceeding the Town’s capitalization threshold.
- A master listing of moveable property is not kept by the Town for all items.
- The Town does not conduct an annual inventory of moveable property to determine if assets purchased with public funds are missing as is required by state law and best practices.

This finding was noted in the prior year.

**Criteria:**

Internal controls over moveable property should be suitably designed so that errors, irregularities, or fraud can be prevented or detected and corrected in a timely manner by management or employees during in the normal course of performing their assigned duties.

**Cause:**

The cause of this condition appears to be poor design and operation of controls over moveable property.

**Effect:**

These internal control weaknesses create an environment in which errors or irregularities in the processing of moveable property could occur and not be either prevented or detected and corrected by Town employees in a timely manner.

**Recommendation:**

We recommend that the Town follow best practices recommended by the Louisiana Legislative Auditor in regards to tagging all moveable property purchased exceeding the Town’s capitalization threshold, maintain a master file listing as a permanent record of these tagged items, and conduct an annual inventory to determine that all tagged equipment is still in the Town’s possession.

**Management’s Response:**

See management’s response dated December 10, 2019.

Town of Albany, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

**2019-002 – Internal Controls over Cash Receipts Drawers / Bags**

**Condition:**

During our audit and testing of the controls of cash receipts, it was noted that the utility billing clerks' cash drawers for utility payments do not have locks or other security measures placed over them during the daily operations.

This finding was noted in the prior year.

**Criteria:**

Strong internal controls over the security of cash receipts is essential to help ensure that errors or other irregularities are discovered and corrected in a timely manner by employees performing their assigned tasks.

**Cause:**

This internal control weakness seems to be a result of management oversight due to the Town occupying a temporary location for Town Hall since severe flooding of 2016. Due to the temporary facilities, strong internal controls and security measures were never implemented at this location.

**Effect:**

Failure to maintain security over cash receipts creates an environment of opportunity for currency to be stolen or missing and payments not deposited into the bank account or recorded to conceal possible fraud.

**Recommendation:**

We recommend the Town immediately implement the following procedures to begin the process to correct this finding:

- The Town should immediately have locks installed on each cash receipts drawer.

**Management's Response:**

See management's response dated December 10, 2019.

**Compliance and Other Matters**

None

**Section III – Federal Award Findings and Questioned Costs**

None

Town of Albany, Louisiana

Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2019

Internal Control over Financial Reporting

2018-001 – Lack of Segregation of Duties

**Condition:**

Incompatible duties are being performed by the Town’s Utility Billing Clerk and the Town Clerk.

**Prior Year Recommendation:**

The Louisiana Legislative Auditor provides a Checklist of Best Practices in Government. We recommend that members of management and the governing body review the checklist and identify incompatible functions. As a compensating control, we recommend the bank statements be received unopened by members of the finance committee for their review.

**Resolution:**

Resolved

2018-002 – Written Policies and Procedures

**Condition:**

The Town does not have written policies and procedures for its operations.

**Prior Year Recommendation:**

We recommend management adopt written policies and procedures for all financial business functions of the Town.

**Resolution:**

Resolved

2018-003 – Personnel Files

**Condition:**

As part of our procedures we reviewed a sample of personnel files. We noted the files did not contain the approved starting salary or subsequent changes to pay rates,

**Prior Year Recommendation:**

We recommend management include in each employee’s file (1) the employment application form that includes background information (employee’s name, address, date of birth, emergency contact) and work experience of the employee; (2) the approved starting salary or rate of pay amount; (3) the Federal Employee’s Withholding Allowance Certificate Form W-4 and Louisiana Employee Withholding Exemption Certificate Form L-4; (4) approved salary or hourly pay rate increases/decreases; (5) employee authorized deductions (e.g., insurance, deferred compensation plan); (6) performance appraisals; (7) promotions; and (8) disciplinary actions.

**Resolution:**

Resolved

**Town of Albany, Louisiana**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2019**

**2018-004 – Approval of Payroll**

**Condition:**

The Town Clerk overpaid herself by \$4,385.60. The town also had to pay an addition amount to the Clerk's retirement of \$131.36 and payroll taxes of \$335.50. In addition, some of the employees were paid overtime at an incorrect rate of pay.

**Prior Year Recommendation:**

We recommend the mayor or finance chairman at a minimum obtain the payroll bank statement directly (unopened) from the bank and that the canceled checks be reviewed to determine that (a) checks are paid to valid employees and the amounts paid appear reasonable (b) all checks include the authorized signatures (c) obtain a payroll summary or paystubs and verify the correct rates are listed.

**Resolution:**

Resolved

**2018-005 – Time Sheets for Employees**

**Condition:**

As part of our procedures, we reviewed time sheets for the Town's employees and compared the calculated time to the pay stubs. We noted that the Police officers are not required to provide a time sheet for hours worked.

**Prior Year Recommendation:**

We recommend all employees complete time reports to document hours worked requiring time reports be approved by the appropriate supervisor maintaining simple records to account for vacation and sick leave earned by employees.

**Resolution:**

Resolved

**2018-006 – Lack of Adequate Internal Controls over Moveable Property**

**Condition:**

During our audit and testing of the internal control procedures over moveable property, we noted several weaknesses in internal controls over moveable property that if not corrected could result in errors, irregularities or fraud occurring that could be material to the financial statements and not be detected or prevented in a timely manner by employees performing their assigned functions. The weaknesses we noted are summarized as follows:

- The Town is not following best practices and state law that requires identification tags be affixed to all moveable property exceeding the Town's capitalization threshold.
- A master listing of moveable property is not kept by the Town for all items.
- The Town does not conduct an annual inventory of moveable property to determine if assets purchased with public funds are missing as is required by state law and best practices.

**Town of Albany, Louisiana**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2019**

**Prior Year Recommendation:**

We recommend that the Town follow best practices recommended by the Louisiana Legislative Auditor in regards to tagging all moveable property purchased exceeding the Town's capitalization threshold, maintain a master file listing as a permanent record of these tagged items, and conduct an annual inventory to determine that all tagged equipment is still in the Town's possession.

**Resolution:**

Unresolved

**2018-007 – Fines and Forfeitures Processing**

**Condition:**

During our audit and testing of fines and forfeitures processing, we noted the following weaknesses in internal control procedures that need to be improved:

- Unissued ticket books are not properly safeguarded in a locked filing cabinet with access limited to only one employee.
- Bench warrants are not being issued for failure to appear or failure to pay.
- Final disposition of each ticket is not permanently marked on the disposition section of the ticket and signed by the Mayor or designated court magistrate.

**Prior Year Recommendation:**

We recommend the Town immediately implement proper internal control procedures over the processing of fines and forfeitures revenue by placing all unissued ticket books under lock and key with access limited to one employee; issuing bench warrants and license suspensions to all violators who fail to pay or appear in court; and requiring the Court Magistrate to indicate the final disposition of all tickets in writing on the disposition section of each traffic citation.

**Resolution:**

Resolved

**2018-008 – Internal Controls over Utility Billing**

**Condition:**

During our audit and testing of the utility billing system, it was noted that there are several weaknesses in internal controls procedures that need to be improved:

- The current Utility Billing Clerks who receive payments from customers have administrative access rights in the computerized utility billing systems, which allows the cashiers to make rate changes, create credit memos, delete payment receipts, and make other adjustments to customer accounts without advanced approval from the Town Clerk or Mayor.
- There is no written documentation to substantiate the purpose of rate changes, credit memos, deleted payment receipts and other adjustments on individual customer utility accounts.
- There is no form, nor signatures, required to document why the customer account changes have occurred or if the changes have been approved by the Town Clerk or Mayor.
- Additionally, there appears to be no supervisory review procedures relating to rate changes, credit memos, or deleted payment receipts, in which a superior is sufficiently reviewing each individual change to a customer account.

**Town of Albany, Louisiana**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2019**

**Prior Year Recommendation:**

We recommend the Town immediately implement the following procedures:

- The Utility Billings Clerks' access rights to the utility billing system should be limited to their assigned function, and administrative rights removed from each user other than the Town Clerk.
- The Town Clerk, through user names and passwords, should prohibit anyone other than the Town Clerk from being able to make rate changes, credit memos, payment receipt deletions, or other adjustments in the utility billing system.
- The Town should develop a form that states the customer's name, reasons for the rate change / credit memo / deleted payment / other adjustment, and the amount of the rate change and date. This form should be signed by the customer, the utility system manager if related to consumption issues (water leaks, meter reads, etc.) and the Town Clerk or Mayor documenting their review and approval for the adjustment to the individual utility billing system customers account.
- The Town should contact the software vendor who developed the utility billing system software and required that the delete payment receipt function be removed from the system.

**Resolution**

Resolved

**2018-009 – Internal Controls over Cash Receipts Drawers / Bags**

**Condition:**

During our audit and testing of the controls of cash receipts, it was noted that there are several weaknesses in internal controls procedures that need to be improved:

- The utility billing clerks' cash drawers for utility payments do not have locks or other security measures placed over them during the daily operations.
- The bank bags that contain all other payments (including fines and forfeitures, property taxes, occupational licenses, etc.) do not have locks or other security measures placed over them during the daily operations.

**Prior Year Recommendation:**

We recommend the Town immediately implement the following procedures to begin the process to correct this finding:

- The Town should immediately have locks installed on each cash receipts drawer.
- The Town should also have the bank bags for cash receipts received outside of utility payments, locked in a cash drawer during the operational hours, and placed in the safe at night.

**Resolution**

Partial – As a result of moving into a newly constructed Town Hall, controls have been improved with regards to non-utility billing cash collections. However, improvement is still needed with regards to security measures over the utility billing clerks' cash drawers.

**Town of Albany, Louisiana**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2019**

**Compliance and Other Matters**

**2018-010 – Overpayment to Town Employee**

**Condition:**

The Town Clerk overpaid herself by \$4,385.60 in wages. In addition, she also paid an additional amount to the Clerk's retirement of \$131.36 and payroll taxes of \$335.50.

**Prior Year Recommendation:**

We recommend the Town recoup the overpayment from the Town Clerk. We also recommend the Town investigate prior years to determine if there were any additional funds to be recouped.

**Resolution:**

Resolved

**2018-011 – Incorrect Calculation of Overtime Rate**

**Condition:**

When reviewing overtime paid, it appears that some salaried employees' overtime rate is being miscalculated.

**Prior Year Recommendation:**

We recommend the Town calculate the overtime rate at the correct rate.

**Resolution:**

Resolved

**2018-012 – Disposition & Reporting of Traffic Citations**

**Condition:**

During our testing of fines and forfeitures, we tested a sample of 29 traffic citations out of a total population of approximately 650 traffic citations issued during the period July 1, 2017 through June 30, 2018. We noted the following during our testing:

- 12 of the 29 traffic citations tested (41%) appear to have been dismissed, or the respective fines reduced, without proper approval from the Court magistrate. The amount of these changes to the traffic citations in our test totaled \$1,859.
- For 13 of the 29 traffic citations tested (45%), no bench warrant was issued for nonpayment of the respective fine.
- None of the 29 traffic citations tested were reported to the Louisiana Department of Safety as required.

**Town of Albany, Louisiana**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2019**

**Prior Year Recommendation:**

We recommend management review the Louisiana Legislative Auditor’s Best Practices for Traffic Citations, follow the stated criteria listed above, and review the Mayor’s Court Handbook by the Louisiana Municipal Association. In addition, the designated Court Magistrate must document their approval of all violations as evidence of review, changes, or dismissals.

**Resolution:**

Resolved

**2018-013 – Failure to Comply with Various Revenue Bond Covenants**

**Condition:**

During our testing of the Town’s compliance with the various covenants contained in the Bond Authorizing Resolutions for each of the outstanding Water System Revenue Bonds and Sewer System Revenue Bonds, we noted several instances in which the Town failed to follow the requirements of the bond resolutions detailed as follows:

**\$575,000 Series 91-02 Water Revenue Bonds Authorizing Resolution Adopted December 14, 1987**

Section 10(e) of the Bond Authorizing Resolution requires the establishment and maintenance of the “1988 Water Revenue Bond and Interest Sinking Fund.” The Town has one bank account titled “Reserve” into which required monthly transfers from four separate sinking, reserve, and contingency accounts have been deposited, with separate accounts maintained in the accounting records. Deposits in the combined Reserve account allocated in the accounting records to the 1988 Water Revenue Bond and Interest Sinking Fund appear to be adequate. However, the Town has not established a separate bank account titled “1988 Water Revenue Bond and Interest Sinking Fund” as required.

Section 13(d) of the Bond Authorizing Resolution requires all books and accounts of the Town to be audited no later than three (3) months from the close of the fiscal year. The audit report for the fiscal year ended June 30, 2018, was not completed by September 30, 2018, as required.

**\$191,000 Series 91-07 Water Revenue Bonds Authorizing Resolution Adopted February 13, 2006**

Section 11(c) of the Bond Authorizing Resolution requires the establishment and maintenance of the “1988 Water Revenue Bond Reserve Fund.” The Town has one bank account titled “Reserve” into which required monthly transfers from four separate sinking, reserve, and contingency accounts have been deposited, with separate accounts maintained in the accounting records. Deposits in the combined Reserve fund allocated in the accounting records to the 1988 Water Revenue Bond Reserve Fund appear to be adequate. However, the Town has not established a separate bank account titled “1988 Water Revenue Bond Reserve Fund” as required.

Section 11(d) of the Bond Authorizing Resolution requires the establishment and maintenance of the “1988 Water Depreciation and Contingency Fund.” The Town has one bank account titled “Reserve” into which required monthly transfers from four separate sinking, reserve, and contingency accounts have been deposited, with separate accounts maintained in the accounting records. Deposits in the combined Reserve fund allocated in the accounting records to the 1988 Water Depreciation and Contingency Fund appear to be adequate. However, the Town has not established a separate bank account titled “1988 Water Depreciation and Contingency Fund” as required.

**Town of Albany, Louisiana**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2019**

**\$3,706,000 Series 2010 Water Revenue Bond Authorizing Resolution Adopted November 9, 2009**

Section 11(c) of the Bond Authorizing Resolution requires the establishment and maintenance of the “1988 Water Revenue Bond Reserve Fund.” The Town has one bank account titled “Reserve” into which required monthly transfers from four separate sinking, reserve, and contingency accounts have been deposited, with separate accounts maintained in the accounting records. Deposits in the combined Reserve fund allocated in the accounting records to the 1988 Water Revenue Bond Reserve Fund appear to be adequate. However, the Town has not established a separate bank account titled “1988 Water Revenue Bond Reserve Fund” as required.

Section 11(d) of the Bond Authorizing Resolution requires the establishment and maintenance of the “1988 Water Depreciation and Contingency Fund.” The Town has one bank account titled “Reserve” into which required monthly transfers from four separate sinking, reserve, and contingency accounts have been deposited, with separate accounts maintained in the accounting records. Deposits in the combined Reserve fund allocated in the accounting records to the 1988 Water Depreciation and Contingency Fund appear to be adequate. However, the Town has not established a separate bank account titled “1988 Water Depreciation and Contingency Fund” as required.

**\$455,000 Series 92-03 and \$75,000 Series 92-05 Sewer Revenue Bond Authorizing Resolution Adopted September 14, 1992**

Section 9 of the Bond Authorizing Resolution requires that all income and revenues derived by the Town from the operation of the Sewer System to be deposited into a spate bank account to be designed as the “Sewer Revenue Fund”. All revenues and expenses of both the Sewer Utility Fund and the Water Utility Fund are deposited into one bank account. As a result, the Town has not established a separate bank account titled “Sewer Revenue Fund” as required.

Section 9(d) of the Bond Authorizing Resolution requires the establishment and maintenance of the “Sewer Depreciation and Contingency Fund.” The Town has one bank account titled “Reserve” into which required monthly transfers from four separate sinking, reserve, and contingency accounts have been deposited, with separate accounts maintained in the accounting records. Deposits in the combined Reserve fund allocated in the accounting records to the Sewer Depreciation and Contingency Fund do not appear to be adequate. As a result, the Town has not established a separate bank account titled “1988 Water Depreciation and Contingency Fund” and properly funded it as required.

Section 12(d) of the Bond Authorizing Resolution requires all books and accounts of the Town to be audited no later than three (3) months from the close of the fiscal year. The audit report for the fiscal year ended June 30, 2018, was not completed by September 30, 2018, as required.

**Town of Albany, Louisiana**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2019**

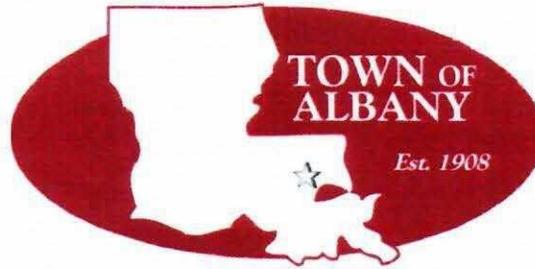
**Prior Year Recommendations:**

We recommend the following courses of action:

- Segregate the operations of the Sewer Fund from the Water Fund by opening a new bank account called the “Sewer Revenue Fund” and depositing all Sewer Fund money into and paying all Sewer Fund bills from this Sewer Revenue Fund.
- Open the following new bank accounts and segregate the money currently in the Reserve account into the following accounts:
  - 1988 Water Revenue Bond and Interest Sinking Fund
  - 1988 Water Revenue Bond Reserve Fund
  - 1988 Water Depreciation and Contingency Fund
  - Sewer Revenue Bond Reserve Fund
  - Sewer Depreciation and Contingency Fund
- Request in writing from the bondholders (Rural Utilities Service) a permanent waiver of the three-month audit requirement in order for the Town to be consistent with the six-month audit requirement in the most recent revenue bond authorizing resolutions.

**Resolution:**

Resolved



- MAYOR-  
EILEEN  
BATES-MCCARROLL

P.O. BOX 1000  
ALBANY, LOUISIANA 70711

- COUNCILMEN –  
RONNIE GREGOIRE  
LLOYD "BEE" MARTIN  
GERALD STILLEY  
JERRY GLASCOCK  
KIM STEWART

-CLERK-  
KIMBERLEE "JOEY" COOPER

December 10, 2019

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

This letter is in response to the finding for the Fiscal Audit for the Town of Albany for the fiscal year ending June 30, 2019. The Town agrees with all of the current year results. Please find our comments below on each result.

1. 2019-001 -- Lack of Adequate Internal Controls over Moveable Property

**Results:** The Town is not following best practices and state law that requires identification tags for all moveable property, a master listing of moveable property is not kept by Town on all items, the Town does not conduct an annual inventory of moveable property.

**Towns Response:** The Town has recently created a master excel spreadsheet with all assets listed as well as purchased fixed asset tags that will be assigned to each fixed asset. The Town has recently purchased software that will allow us to keep track of all inventories as well. The Town will also begin to do an annual inventory check on all assets. We plan to have everything in place before the next audit 06/30/20

2. 2019-002 -- Internal Controls over Cash Receipts Drawers/Bags

**Results:** The Utility Clerk's cash drawers for utility payments do not have locks.

**Towns Response:** We recently moved into our new Town Hall in June 2019 and at that time the cabinets for the cash drawers were not yet installed by the contractors. In November, 2019 cabinets with locks have been installed and are now being used by each utility clerk.

Overall the Town has found the audit process to be very beneficial. We appreciate the auditor's recommendations and plan to take steps to fix all findings.

Sincerely,

  
Eileen Bates-McCarroll  
Mayor

**TOWN OF ALBANY**

**STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT**

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

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Christie J. Barado  
Megan E. Lynch  
B. Jacob Steib  
Debbie G. Faust, EA  
Ramona K. Huckabee, EA



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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 Honorable Eileen Bates-McCarroll, Mayor  
Town of Albany and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Town of Albany and the Louisiana Legislative Auditor on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. Town of Albany's management is responsible for those control and compliance areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the Town of Albany and the Louisiana Legislative Auditor. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are detailed in Schedule "A"

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

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information and use of the Town of Albany and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*James Lambert Riggs  
& Associates*

James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

December 10, 2019

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

**Results:** No exceptions were found as a result of this procedure.

- b) **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 found as a result of this procedure.

- c) **Disbursements**, including processing, reviewing, and approving

**Results:** No exceptions were found as a result of this procedure.

- d) **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 found as a result of this procedure.

- e) **Payroll / Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked

**Results:** No exceptions were found as a result of this procedure.

- f) **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:** No exceptions were found as a result of this procedure.

- g) **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 found as a result of this procedure.

- h) **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 found as a result of this procedure.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

**Results:** No exceptions were found as a result of this procedure.

- j) **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 found as a result of this procedure.

- k) **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:** The Town did not have a disaster recovery / business continuity policy in place as of June 30, 2019.

### Bank Reconciliations

- 2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

**Results:** No exceptions were found as a result of this procedure.

- b) Bank reconciliations include evidence that a member of management / board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

**Results:** No exceptions were found as a result of this procedure

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** For the five (5) bank accounts selected, one (1) bank account had outstanding items over 12 months as of June 30, 2019; however, the Town has documentation that it is working to send these outstanding checks to the Louisiana Department of the Treasury, Unclaimed Property Division.

Collections

3. 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).

**Results:** Management provided us with a listing of all deposit locations as well as management's representation that the listing is complete.

4. 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 no written policies or procedures, 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:

- a) Employees that are responsible for cash collections do not share cash drawers / registers.

**Results:** Two cash drawers are maintained at the payment windows; however, employees can share drawers during lunch, breaks, or unforeseen circumstances.

- b) Each employee responsible for collecting cash is not responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

**Results:** The Utility Clerks are responsible for preparing the deposit, and the Town Clerk is responsible for recording the deposit in the accounting software.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.

**Results:** The Utility Clerks are responsible for preparing the deposit, and the Town Clerk is responsible for recording the deposit in the accounting software.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and / or subsidiary ledgers, by revenue source and / or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

**Results:** The Utility Clerks are responsible for preparing the deposit, and the Town Clerk is responsible for recording the deposit in the accounting software. The Town's outside accountant regularly reviews the entries into the accounting software and the daily reconciliation.

5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**Results:** All employees who have access to cash are covered by a bond or insurance policy for theft.

6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered.

**Results:** No exceptions were found as a result of this procedure.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Results:** No exception were found as a result of this procedure.

c) Trace the deposit slip total to the actual deposit per the bank statement.

**Results:** No exceptions were found as a result of this procedure.

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

**Results:** No exceptions were found as a result of this procedure.

e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** No exceptions were found as a result of this procedure.

**Non-Payroll Disbursements (excluding card purchases / payments, travel reimbursements, and petty cash purchases)**

7. 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).

**Results:** Management provided us with a listing of all locations that process payments as well as management’s representation that the listing is complete.

8. For each location selected under #7 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order / making the purchase.

**Results:** No exceptions were found as a result of this procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

**Results:** No exceptions were found as a result of this procedure.

- c) The employee responsible for processing payments is prohibited from adding / modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**Results:** The Town Clerk responsible for processing payments is not prohibited from adding / modifying vendor files. Currently, no other employee periodically reviews changes to vendor files.

- d) Either the employee / official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results:** No exceptions were found as a result of this procedure.

9. For each location selected under #7 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:

- a) Observe that the disbursement matched the related original invoice / billing statement.

**Results:** No exceptions were found as a result of this procedure.

- b) Observe that the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #8, as applicable.

**Results:** No exceptions were found as a result of this procedure.

#### **Travel and Travel Related Expense Reimbursement**

10. Obtain from management a listing of all travel and related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms / prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

**Results:** Management provided us with the required listing of travel and related expense reimbursements as well as management's representation that the listing is complete.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**Results:** No exceptions were found as a result of this procedure.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

**Results:** No exceptions were found as a result of this procedure.

- c) Observe that each reimbursement is supported by documentation of the business / public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

**Results:** No exceptions were found as a result of this procedure.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

**Results:** No exceptions were found as a result of this procedure.

### Payroll and Personnel

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

**Results:** Management provided us with a listing of all employees / elected officials employed during the fiscal period as well as management's representation that the listing is complete.

- 12. Randomly select one pay period during the fiscal period. For the 5 employees / officials selected under #11 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees / officials documented their daily attendance and leave (e.g. vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his / her attendance and leave. However, if the elected official is earning leave according to policy and / or contract, the official should document his / her daily attendance and leave.)

**Results:** No exceptions were found as a result of this procedure.

- b) Observe that supervisors approved the attendance and leave of the selected employees / officials.

**Results:** Four (4) out of the five (5) employees selected had supervisory approval of their attendance and leave. Additional pay periods were sampled for the employee who had an exception and noted that other pay periods did contain proper supervisory approval.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

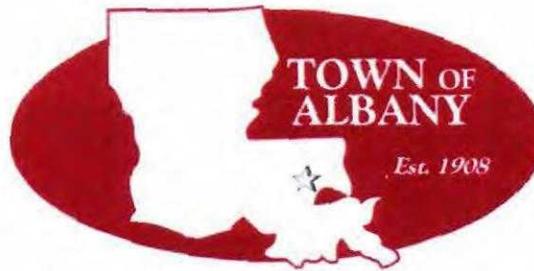
**Results:** No exceptions were found as a result of this procedure.

13. Obtain a listing of those employees / officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees / officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours and pay rates used in management's termination payment calculations, agree the hours to the employee / officials' cumulate leave records, and agree the pay rates to the employee / officials' authorized pay rates in the employee/officials' personnel files.

**Results:** There were no terminated employees during the fiscal period.

14. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance payments, and workers' compensation premiums have been paid, and associated forms have been files, by required deadlines.

**Results:** No exceptions were found as a result of this procedure.



- MAYOR-  
EILEEN  
BATES-MCCARROLL

P.O. BOX 1000  
ALBANY, LOUISIANA 70711

- COUNCILMEN –  
RONNIE GREGOIRE  
LLOYD "BEE" MARTIN  
GERALD STILLEY  
JERRY GLASCOCK  
KIM STEWART

-CLERK-  
KIMBERLEE "JOEY" COOPER

December 10, 2019

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

This letter is in response to the findings for the Statewide Agreed Upon Procedures Audit for the Town of Albany for the fiscal year ending June 30, 2019. The Town agrees with all of the current year findings. Please find our comments below on each finding.

1. Written Policies and Procedures: - Disaster Recovery/Business Continuity

**Results:** The Town did not have a disaster Recovery/Business Continuity policy in place at 06/30/19.

**Towns Response:** The Town is currently working on a Disaster Recovery/Business Continuity policy and will have it completed by 06/30/20.

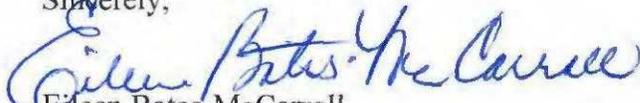
2. Non-Payroll Disbursements: - Employee responsible for processing payments is prohibited from adding/modifying vendor files

**Results:** The Town Clerk responsible for processing payments is not prohibited from adding/modifying vendor files. Currently, no other employee periodically reviews changes to vendor files

**Towns Response:** The Town Clerk will begin having the mayor and/or CPA approve and initial all W-9's for new vendors before setting the vendor up in QuickBooks.

Overall the Town has found the audit process to be very beneficial. We appreciate the auditor's recommendations and plan to take steps to fix all findings.

Sincerely,

  
Eileen Bates-McCarroll  
Mayor