

TOWN OF GREENSBURG

Greensburg, Louisiana

ANNUAL FINANCIAL STATEMENTS

As of and for the Year
Ended December 31, 2017
with Supplemental Information Schedules

ANTHONY B. BAGLIO, CPA
Certified Public Accountants
A Professional Accounting Corporation

TOWN OF GREENSBURG
Greensburg, Louisiana
Annual Financial Statements
As of and for the Year Ended December 31, 2017
with Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor Paula McNabb
and Members of the Board of Aldermen
Town of Greensburg
Greensburg, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Greensburg, Greensburg, Louisiana, as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

Town of Greensburg
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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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Greensburg, Greensburg, Louisiana as of December 31, 2017, 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 Supplemental 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 6-13 and 44 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, and historical context. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Greensburg, Greensburg, Louisiana's basic financial statements. The accompanying schedules on compensation paid to board members and 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 schedules of compensation paid to board members and compensation, benefits and other payments to agency head are the responsibility of management and were derived from and related 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 my opinion, the schedules of compensation paid to board members and compensation, benefits and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Independent Accountant's Report on Applying Statewide Agreed-Upon Procedures (pages 57-66) has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 26, 2018 on my consideration of the Town of Greensburg, Greensburg, Louisiana's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and

Town of Greensburg
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the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Greensburg, Greensburg, Louisiana's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Anthony B. Baglio', with a large, stylized initial 'A'.

Anthony B. Baglio, CPA
A Professional Accounting Corporation
Hammond, Louisiana

June 26, 2018

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

**Town of Greensburg
Greensburg, Louisiana
Management's Discussion and Analysis**

As management of the Town of Greensburg, Greensburg, Louisiana, we offer readers of the Town of Greensburg's financial statements this narrative overview and analysis of the financial activities of the Town of Greensburg for the fiscal year ended December 31, 2017. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the Town of Greensburg's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Town of Greensburg's finances. It is also intended to provide readers with an analysis of the Town of Greensburg's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town of Greensburg. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town of Greensburg's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Greensburg's financial statements. The Town of Greensburg's basic financial statements comprise 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 themselves.

Government-Wide Financial Statements

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

The *statement of net position* presents information on all of the Town of Greensburg's assets and liabilities using the accrual basis of accounting, the difference between the assets and liabilities are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Greensburg is improving or deteriorating.

**Town of Greensburg
Greensburg, Louisiana
Management's Discussion and Analysis**

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town of Greensburg that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of Greensburg include general government, public safety, public works, and cultural and recreation. The Town of Greensburg's business-type activities include gas, water, and sewer services.

The government-wide financial statements can be found on pages 15-16 of this report.

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 of Greensburg, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Greensburg can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term effects of the government's near-term financing decisions. 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*.

The Town of Greensburg maintains one individual governmental fund. Information is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. There are no non-major governmental funds. The basic governmental fund financial statements can be found on Statements C and E of this report.

**Town of Greensburg
Greensburg, Louisiana
Management's Discussion and Analysis**

The Town of Greensburg adopts an annual budget for its General Fund. A budgetary comparison schedule for the General Fund has been provided herein to demonstrate compliance with those budgets.

Proprietary funds. *Proprietary funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Greensburg uses a proprietary fund to account for its Gas, Water, and Sewer department. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Gas, Water and Sewer department, which is considered a major fund of the Town of Greensburg. The basic proprietary fund financial statements can be found on Statements G, H & I of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-42 of this report.

Other supplemental information. In addition to the basic financial statements and accompanying notes, this report also presents other supplementary information. These schedules can be found on pages 46-47 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. The following table provides a summary of the Town of Greensburg's net position for the current year and prior year.

Town of Greensburg - Net Position						
	Governmental Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and Other Assets	\$ 1,020,888	\$ 1,090,140	\$ 1,218,680	\$ 1,118,224	\$ 2,239,568	\$ 2,208,364
Capital Assets, Net	214,433	220,046	1,872,995	1,623,056	2,087,428	1,843,102
Total Assets	<u>1,235,321</u>	<u>1,310,186</u>	<u>3,091,675</u>	<u>2,741,280</u>	<u>4,326,996</u>	<u>4,051,466</u>
Other Liabilities	14,841	13,748	176,037	172,443	190,878	186,191
Total Liabilities	<u>14,841</u>	<u>13,748</u>	<u>176,037</u>	<u>172,443</u>	<u>190,878</u>	<u>186,191</u>
Net Investment in Capital Assets	214,433	220,046	1,872,995	1,623,056	2,087,428	1,843,102
Restricted			53,959	54,896	53,959	54,896
Unrestricted	1,006,047	1,076,392	988,684	890,885	1,994,731	1,967,277
Total Net Position	<u>\$ 1,220,480</u>	<u>\$ 1,296,438</u>	<u>\$ 2,915,638</u>	<u>\$ 2,568,837</u>	<u>\$ 4,136,118</u>	<u>\$ 3,865,275</u>

**Town of Greensburg
Greensburg, Louisiana
Management's Discussion and Analysis**

The Town of Greensburg's assets exceeded its liabilities by \$4,136,118 at the close of the most recent fiscal year. Of this amount \$1,994,731 or 48 percent is unrestricted. The Town of Greensburg's net position is comprised of \$1,220,480 from Governmental Activities and \$2,915,638 from Business-Type Activities as shown on Statement A of this report. Over the previous year the Town of Greensburg's net position increased by \$270,844.

The Town of Greensburg's net investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that was still outstanding during the year was \$2,087,428 (51 percent). The Town of Greensburg uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Greensburg's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Greensburg's net position, one percent represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (48 percent or \$1,994,731) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Greensburg is able to report positive net position balances in both the government-wide and governmental activities. The same situation held true for the prior fiscal year.

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 of Greensburg's activities for the current year and prior year.

**Town of Greensburg
Greensburg, Louisiana
Management's Discussion and Analysis**

	Governmental Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue						
Program revenue:						
Charges for Services	\$ 89,567	\$ 106,169	\$ 1,256,628	\$ 1,143,045	\$ 1,346,195	\$ 1,249,214
Operating Grants and Contributions	38,753	40,212	-	2,851	38,753	43,063
Capital Grants and Contributions	3,000	-	311,549	282,681	314,549	282,681
General Revenue:						
Property Taxes	21,686	20,325			21,686	20,325
Sales Taxes	176,740	177,935			176,740	177,935
Gaming Revenues	89,576	85,768			89,576	85,768
Gain (Loss) on Sale of Asset	400	-			400	-
Transfer In from Local Government	-	-	4,300	61,750	4,300	61,750
Investment Earnings	6,309	8,775	4,924	6,361	11,233	15,136
Franchise Taxes	59,200	64,999			59,200	64,999
Other	7,610	7,079			7,610	7,079
Total Revenue	492,841	511,262	1,577,401	1,496,688	2,070,242	2,007,950
Expenses						
General Government	150,504	134,330			150,504	134,330
Public Safety	346,681	414,712			346,681	414,712
Public Works	68,420	50,874			68,420	50,874
Cultural and Recreation	3,193	3,249			3,193	3,249
Gas, Water and Sewer			1,230,600	1,074,902	1,230,600	1,074,902
Total Expenses	568,798	603,165	1,230,600	1,074,902	1,799,398	1,678,067
Increase in Net Position	(75,957)	(91,903)	346,801	421,786	270,844	329,883
Net Position-Beginning of Year	1,296,437	1,388,341	2,568,837	2,147,051	3,865,274	3,535,392
Net Position-End of Year	\$ 1,220,480	\$ 1,296,438	\$ 2,915,638	\$ 2,568,837	\$ 4,136,118	\$ 3,865,275

Governmental activities of the Town of Greensburg's net position decreased by \$75,957. Key elements of this decrease are as follows:

The governmental activity revenues decreased by \$18,421 approximately (3.6 percent).

**Town of Greensburg
Greensburg, Louisiana
Management's Discussion and Analysis**

The following are the governmental revenue percentages by source:

	<u>Amount</u>	<u>Percentage</u>
Charges for Services	89,567	18.17%
Operating Grants and Contributions	38,753	7.86%
Capital Grants and Contributions	3,000	0.61%
Property Taxes	21,686	4.40%
Sales Tax	176,740	35.86%
Gaming Revenues	89,576	18.18%
Investment Earnings	6,309	1.28%
Franchise Taxes	59,200	12.01%
Other	8,010	1.63%
	<u>492,841</u>	100.00%

The following are the governmental expenses percentages by function:

	<u>Amount</u>	<u>Percentage</u>
General Government	150,504	26.46%
Public Safety	346,681	60.95%
Public Works	68,420	12.03%
Cultural and Recreation	3,193	0.56%
	<u>568,798</u>	100.00%

Business-Type Activities

The Business-Type Activities of the Town of Greensburg are those that the Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town of Greensburg's gas, water, and sewer services are reported here.

Financial Analysis of the Government's Funds

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

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

The Town of Greensburg maintains one individual governmental fund, the General Fund. The General Fund is the chief operating fund of the Town of Greensburg. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$992,998. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures and transfers out. The total expenditures for 2017 was \$563,185. The unassigned fund balance represents 176 percent of total general fund expenditures and transfers out.

**Town of Greensburg
Greensburg, Louisiana
Management's Discussion and Analysis**

During the fiscal year, the fund balance of the Town of Greensburg's General Fund decreased by \$70,344.

Major Fund Budgetary Highlights

The difference between the original and final amended budgets of the General Fund shows a decrease in amounts available for appropriations of \$3,506 and an increase of \$60,579 in charges to appropriations. During the year, actual expenditures were \$19,663 less than the final budgeted amounts.

Capital Assets and Debt Administration

Capital assets. The Town of Greensburg's investment in capital assets for its governmental activities as of December 31, 2017, amounted to \$214,433 (net of accumulated depreciation). The Town's investment in capital assets for its business-type activities as of December 31, 2017, amounted to \$1,872,995 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The total increase in the Town of Greensburg's capital assets net of depreciation for the current fiscal year was \$244,326.

Additional information on the Town of Greensburg's capital assets can be found in note 7 on pages 38 and 39 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Greensburg did not have any outstanding debt at December 31, 2017.

Additional information on the Town of Greensburg's long-term debt can be found in note 12 on pages 41 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Town of Greensburg's budget for the 2018 fiscal year:

The two major revenue sources for the General Fund are gaming revenues and sales tax. These two revenues make up approximately 55% of total General Fund revenues. Gaming revenues have been budgeted for 2018 at \$94,000. Sales taxes have been budgeted at \$180,000 for 2018. Total revenues have been budgeted at \$497,800 and total expenditures have been budgeted at \$537,970 for 2018.

**Town of Greensburg
Greensburg, Louisiana
Management's Discussion and Analysis**

Request for Information

This financial report is designed to provide a general overview of the Town of Greensburg's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Paula McNabb, Mayor of the Town of Greensburg, 14516 Hwy 37, Greensburg, Louisiana, 70441.

Basic Financial Statements

Government-Wide Financial Statements

**Town of Greensburg
Greensburg, Louisiana**

Statement A

**Statement of Net Position
December 31, 2017**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 110,870	\$ 341,636	\$ 452,506
Investments - CD's	842,519	578,923	1,421,442
Receivables, Net	54,450	235,544	289,994
Prepaid Expenses	13,049	8,618	21,667
Restricted Assets - Cash	-	53,959	53,959
Capital Assets (Net)	214,433	1,872,995	2,087,428
Total Assets	<u>1,235,321</u>	<u>3,091,675</u>	<u>4,326,996</u>
Liabilities			
Accounts, Salaries, and Other	14,841	122,078	136,919
Customer Deposits	-	53,959	53,959
Total Liabilities	<u>14,841</u>	<u>176,037</u>	<u>190,878</u>
Net Position			
Net Investment in Capital Assets	214,433	1,872,995	2,087,428
Restricted		53,959	53,959
Unrestricted	1,006,047	988,684	1,994,731
Total Net Position	<u>\$ 1,220,480</u>	<u>\$ 2,915,638</u>	<u>\$ 4,136,118</u>

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

**Town of Greensburg
Greensburg, Louisiana**

Statement B

**Statement of Activities
For the Year Ended December 31, 2017**

Functions/Programs	(Expenses)	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		Total
		Charges for Services	Grants and Contributions	Capital Grants Contributions	Operating Governmental Activities	Business-Type Activities	
Governmental Activities							
General Government	\$ (150,504)	\$ 64,072			\$ (86,432)	\$ -	\$ (86,432)
Public Safety	(346,681)	25,495	32,453	3,000	(285,733)	-	(285,733)
Public Works	(68,420)		6,300		(62,120)	-	(62,120)
Cultural and Recreation	(3,193)				(3,193)	-	(3,193)
Interest on Long-Term Debt	-				-	-	-
Total Government Activities	<u>\$ (568,798)</u>	<u>\$ 89,567</u>	<u>\$ 38,753</u>	<u>\$ 3,000</u>	<u>(437,478)</u>	<u>-</u>	<u>(437,478)</u>
Business-type Activities:							
Gas, Water & Sewer	(1,230,600)	1,256,628		311,549		337,577	337,577
Total Business-Type Activities	<u>(1,230,600)</u>	<u>1,256,628</u>	<u>-</u>	<u>311,549</u>	<u>-</u>	<u>337,577</u>	<u>337,577</u>
Total Primary Government	<u>(1,799,398)</u>	<u>1,346,195</u>	<u>38,753</u>	<u>314,549</u>	<u>(437,478)</u>	<u>337,577</u>	<u>(99,901)</u>
General Revenues:							
Property Taxes					21,686		21,686
Alcoholic Taxes					1,710		1,710
Sales Taxes					176,740		176,740
Franchise Taxes					59,200		59,200
Gaming Revenues					89,576		89,576
Rents & Royalties					5,550		5,550
Gain (Loss) on Sale of Assets					400	-	400
Transfer In from Local Government					-	4,300	4,300
Investment Earnings					6,309	4,924	11,233
Other General Revenues					350		350
Total General Revenues and Transfers					<u>361,521</u>	<u>9,224</u>	<u>370,745</u>
Change in Net Position					<u>(75,957)</u>	<u>346,801</u>	<u>270,844</u>
Net Position, Beginning					1,296,437	2,568,837	3,865,274
Net Position, Ending					<u>\$ 1,220,480</u>	<u>\$ 2,915,638</u>	<u>\$ 4,136,118</u>

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

Basic Financial Statements

Governmental Fund Financial Statements

**Town of Greensburg
Greensburg, Louisiana**

Statement C

**Balance Sheet, Governmental Funds
December 31, 2017**

	General Fund
Assets	
Cash and cash equivalents	\$ 110,870
Investments	842,519
Receivables, Net	54,450
Prepaid Expenses	13,049
Total Assets	<u>1,020,888</u>
Liabilities and Fund Balances	
Liabilities:	
Accounts Payable	14,841
Total Liabilities	<u>14,841</u>
Fund Balances:	
Nonspendable	13,049
Unassigned	992,998
Total Fund Balance	<u>1,006,047</u>
Total Liabilities and Fund Balances	<u>\$ 1,020,888</u>

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

**Town of Greensburg
Greensburg, Louisiana**

Statement D

**Reconciliation of The Governmental Funds Balance Sheet
to The Government-Wide Statement of Net Position**

December 31, 2017

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

Fund Balances, Total Governmental Funds (Statement C)	\$ 1,006,047
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental Capital Assets	851,418	
Less Accumulated depreciation	<u>(636,985)</u>	
		<u>214,433</u>

Net Position of Governmental Activities (Statement A)	<u>\$ 1,220,480</u>
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The accompanying notes are an integral part of these financial statements.

**Town of Greensburg
Greensburg, Louisiana**

Statement E

**Governmental Funds
Statement of Revenues, Expenditures and
and Changes in Fund Balances
For the Year Ended December 31, 2017**

	General Fund
Revenues	
Taxes:	
Ad Valorem	\$ 21,686
Sales and Use	176,740
Other Taxes, Penalties, Interest, Etc.	60,910
Licenses and Permits	64,072
Intergovernmental Revenues:	
Federal Grants	-
State funds:	
Parish Transportation Funds	6,300
Gaming Revenues	89,576
Other State Funds	-
Fines and Forfeitures	25,495
Fire Insurance Rebates	3,304
Rents and Royalties	5,550
Investment Earnings	6,309
Other Revenues	3,350
On Behalf of Payment	29,149
Total Revenues	492,441
Expenditures	
General Government	148,430
Public Safety	327,049
Public Works	65,757
Cultural and Recreation	2,733
Capital Outlay	19,216
Total Expenditures	563,185
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,744)
Other Financing Sources (Uses)	
Transfers In	-
Transfers Out	-
Transfers In from Local Governments	-
Sale of Capital Assets	400
Total Other Financing Sources and Uses	400
Net Change in Fund Balance	(70,344)
Fund Balance -- Beginning	1,076,391
Fund Balance -- Ending	\$ 1,006,047

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

**Town of Greensburg
Greensburg, Louisiana**

Statement F

**Reconciliation of The Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2017**

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

Net Change in Fund Balances, Total Governmental Funds (Statement E)	\$	(70,344)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlays	19,216	
Depreciation expense	<u>(24,829)</u>	
		(5,613)
Statement of Net Position.		-
Change in Net Position of Governmental Activities (Statement B)	<u>\$</u>	<u>(75,957)</u>

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

Basic Financial Statements

Proprietary Fund Financial Statements

Town of Greensburg
Statement of Net Position, Proprietary Funds
December 31, 2017

	Gas, Water & Sewer
ASSETS	
Cash and cash equivalents	\$ 341,636
Investments	578,923
Receivables (net of allowances for uncollectibles)	235,544
Prepaid Expenses	8,618
Restricted Assets - Cash	53,959
Capital Asssets, Net of Accumulated Depreciation	1,872,995
TOTAL ASSETS	3,091,675
LIABILITIES AND NET POSITION	
Liabilities:	
Accounts payables	122,078
Payable from Restricted Assets-Customer Deposits	53,959
Total Liabilities	176,037
Net Position:	
Net Investment in Capital Assets	1,872,995
Restricted	53,959
Unrestricted	988,684
TOTAL NET POSITION	2,915,638
TOTAL NET POSITION AND LIABILITIES	\$ 3,091,675

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

**Town of Greensburg
Proprietary Fund
Statement of Revenues, Expenditures and
and Changes in Fund Net Position
For the Year Ended December 31, 2017**

	Gas, Water, & Sewer Fund			Total Proprietary
	Gas	Water	Sewer	
Operating Revenues:				
Gas Sales	\$ 1,119,911	\$ -	\$ -	\$ 1,119,911
Less: Cost of Gas Sold	(884,902)			(884,902)
Gross Profit on Gas Sales	235,009			235,009
Water Sales		75,235		75,235
Sewer Sales			58,920	58,920
Commissions	-	580		580
Late Fees	1,982			1,982
Total Operating Revenues	236,991	75,815	58,920	371,726
Operating Expenses				
Salaries and Related Benefits	109,859			109,859
Analytical Services			3,935	3,935
Cathodic Protection	-			-
Continuing Education	-	-	-	-
Depreciation Expense	6,183	31,056	44,019	81,258
Dues & Subscriptions	400	350	-	750
Insurance	19,220			19,220
Materials and Supplies	24,700	14,670		39,370
Miscellaneous	-			-
Office Expense	8,797			8,797
Professional Fees	6,471			6,471
Repairs & Maintenance	-	8,457		8,457
Utilities	47,738			47,738
Vehicles Expense	5,736			5,736
Bad Debt	14,107			14,107
Total Operating Expenses	243,211	54,533	47,954	345,698
Net Operating Income	(6,220)	21,282	10,966	26,028
Nonoperating Revenues (Expense):				
Interest Income	4,924			4,924
Sale of Capital Assets	-			-
Interest Expense				-
Total Nonoperating Income (Expenses)	4,924	-	-	4,924
Net Income before Contributions and Transfers	(1,296)	21,282	10,966	30,952
Contributions and Transfers				
Operating Transfers In				
Operating Transfers Out				
Operating Grant Contributions				-
Capital Grant Contributions		311,549		311,549
Transfers in from Local Government			4,300	4,300
Total Contributions and Transfers	-	311,549	4,300	315,849
Net Change in Position	(1,296)	21,282	15,266	346,801
Net Position - Beginning				2,568,837
Net Position - Ending				<u>\$ 2,915,638</u>

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

**Town of Greensburg
Proprietary Fund
Statement of Cash Flows
For the Year Ended December 31, 2017**

	Gas, Water, & Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 1,385,988
Cash Payment for operations	(1,038,176)
Cash Payment to employees	(94,559)
Other Receipts (Payments)	4,805
NET CASH FLOWS FROM OPERATING ACTIVITIES	258,058
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
NET CASH (USED) FOR NONCAPITAL AND RELATED FINANCIING ACTIVITIES	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Transfer In from Local Governments	4,300
Federal and State Grants	292,223
Construction in progress	(317,945)
Payments for capital acquisitions	(13,252)
Proceeds from Sale of Assets	-
NET CASH (USED) FOR CAPITAL AND RELATED FINANCIING ACTIVITIES	(34,674)
CASH FLOW FROM INVESTING ACTIVITIES:	
Cash payments to purchase investments	-
Interest Income Received	7,483
Interest Expense	-
NET CASH PROVIDED (USED) FOR INVESTING ACTIVITIES	7,483
NET CHANGE IN CASH AND CASH EQUIVALENTS	230,867
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	743,651
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 974,518
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS	
Cash	\$ 920,559
Restricted Cash	53,959
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 974,518
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Income (Loss)	\$ 26,028
Adjustments to Reconcile Operating Income to Net Cash Flow from Operating Activities:	
Depreciation	81,258
Changes in Assets and Liabilities:	
Decrease (Increase) in Prepaid Expenses	2,759
Decrease (Increase) in Customer Receivables	128,428
Decrease (Increase) in Other Receivables	11,187
Decrease (Increase) Due To/From	4,805
Increase (Decrease) in Accounts Payable and Taxes Payable	3,593
Net Cash flows from Operating Activities	\$ 258,058

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

Notes to the Financial Statements

**Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Years Ended December 31, 2017**

Introduction

The Town of Greensburg was incorporated under the provisions of a special charter. The Town operates under a Mayor-Board of Aldermen form of government. The Town of Greensburg provides public utilities, fire protection, and various other services to its residents. The Town provides law enforcement to the community, and maintains the streets and highways used by the residents.

The Board of Aldermen of the Town is comprised of five members, and a Mayor. Each Alderman, as well as the Mayor is elected for four year terms. The Board of Aldermen and the Mayor are compensated.

The Town of Greensburg is located in St. Helena Parish in the southeastern part of Louisiana. The estimated population of the Town is 689. The Town of Greensburg employs approximately 12 full-time employees, excluding the Board of Aldermen and the Mayor.

The Town provides natural gas, water, and sewer services for approximately 255 residential users, and 74 commercial. It also maintains approximately 6.0 miles of town streets, and 6.3 miles of state highways.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary 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 or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality 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.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The Town implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows, of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The reader will note a change in terminology from "net assets" to "net position".

Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meetings 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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.

Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

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 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 of Greensburg reports the following major governmental funds in a single governmental Fund:

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

The Town of Greensburg reports the following major proprietary funds in a single proprietary Fund:

The Gas, Water, & Sewer Fund is used to account for operations that are financed and operated in manner similar to private business enterprise, where the intent of the governing authority is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

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

**Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the Town of Greensburg's Proprietary Funds are charges for usage of gas, water, and sewer. 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 nonoperating revenues and expenses.

C. Deposits and Investments

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

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 inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund 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. Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Taxes Levied
Taxes due for:			
2017	6.37	6.37	\$ 21,628

The following are the principal taxpayers and related property tax revenue for the municipality:

**Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>Revenue for Municipality</u>
Dixie Electric	Public Service	\$ 504,420	14.86%	\$ 3,213
First Guaranty Bank	Bank	398,540	11.74%	2,539
Texas Petroleum	Oil Exploration	179,320	5.28%	1,142
Parkway Truckstop	Gaming/Fuel Station	138,670	4.08%	883
Century Telephone	Public Service	113,920	3.36%	725

The Town assesses a 1% sales and use tax. The proceeds from the sales and use tax are used as follows:

Sales Tax - Acquiring necessary lands and capital improvements, necessary employees, fire and police protection, encouragement of industrial development, and for the general purpose of properly operating and maintaining the Town of Greensburg for its inhabitants. The proceeds of this tax are accounted for in the General Fund.

E. Inventories and Prepaid Items

All inventories are valued at cost. 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

Restricted assets applicable to the Gas, Water, and Sewer Fund consist of cash reserved from customer deposits of \$53,959 as of December 31, 2017.

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 municipality 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. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

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.

**Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

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>
Roads, Bridges, and Infrastructure	40 years
Land Improvements	10-20 years
Buildings and Building Improvements	40 years
Furniture and Fixtures	5-10 years
Vehicles	5-15 years
Equipment	7-10 years

H. Compensated Absences

The Town of Greensburg recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

The Town of Greensburg has the following policy relating to vacation and sick leave: Full time employees earn annual leave based on the years of service. Sick leave begins after six months of full time employment. A full time employee earns 8 hours per month up to 480 hours and then the accumulation stops. Vacation time is earned after one year of continuous employment. After one year the employee earns two weeks, after ten years three weeks, and after 20 years four weeks. Neither sick leave nor vacation time is paid upon termination. The cost of current annual leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditure when annual leave is actually taken.

I. Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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/Fund Equity

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

Investment in Capital Assets –This component of net position includes capital assets, net of accumulated depreciation, reduced by the outstanding balance of any bonds, or indebtedness 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 or the resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

**Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

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

Unrestricted Net Position – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the Fund Financial Statements, governmental fund equity is classified as fund balance. Beginning with fiscal year 2011, the Town implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

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

The General Fund has an unassigned fund balance of \$1,006,047.

K. 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 municipality, which are either unusual in nature or infrequent in occurrence.

**Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

L. Estimates

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

M. 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 assets 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.

N. Budget and Budgetary Accounting

Budgetary procedures applicable to the Town of Greensburg are defined in state law, Louisiana Revised Statutes 39:1301-1315. The Town of Greensburg used the following budget practices:

1. The Town of Greensburg must adopt a budget each year for the general fund and each special revenue fund, if applicable.

The Town of Greensburg must prepare and submit the proposed budget for consideration not later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in the parish. The notice of public hearing was published in the official journal on November 23, 2016, and held on December 13, 2016.

All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on December 13, 2016.

Budgetary amendments involving the transfers of funds from one program or function to another or involving increase in expenditures resulting from revenues exceeding amount estimated require the approval of the Board of Aldermen. The secretary-treasurer presents necessary budget amendments to the Aldermen during the year when actual operations are different from those anticipated in the original budget. The Town of Greensburg adopts the amendments and they are made available for public inspection.

**Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

2. All budgetary appropriations lapse at the end of each fiscal year.
3. The Town of Greensburg does not use encumbrance accounting.
4. Budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for the general fund, compare the expenditures with the amended budgets. All budgets are presented in accordance with the (GAAP) basis of accounting. Proprietary funds are not budgeted.
5. The Town did not have any individual funds with actual expenditures over budgeted appropriations for the year ended December 31, 2017.

2. Stewardship, Compliance Accountability, and Deficits

The Town did not have any individual funds with deficits in unassigned fund balance at December 31, 2017.

3. Cash and Cash Equivalents

At December 31, 2017, the Town of Greensburg has cash and cash equivalents (book balances) totaling \$452,506 and restricted cash of \$53,959 as follows:

	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Demand deposits	\$ 110,870	340,924	\$ 451,794
Demand Deposits-Restricted cash		53,959	53,959
Time and Savings	-	712	712
Total	\$ 110,870	\$ 395,595	\$ 506,465

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.

At December 31, 2017 the Town of Greensburg has \$505,058 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$255,058 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

**Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

4. Investments

Investments are categorized into 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 counter party's trust department of agent in the Town's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the Town's name.

All investments held by the Town fall into category 1 credit risk, defined as: insured or registered, or securities held by the Town or its agent in the Town's name. In accordance with GASB-31, Accounting and Financial Reporting for Certain Investments and for External Investment Pool, all investments are carried at fair value, with the estimate of fair value based on quoted market prices. At December 31, 2017, the Town's investment balances are as follows:

	General <u>Fund</u>	Proprietary <u>Fund</u>	<u>Total</u>
Certificates of Deposits	\$842,519	\$578,923	\$1,421,442

The deposits as listed above are stated at cost with approximates market value. These deposits totaling \$1,421,442 are secured from risk by \$176,515 of federal deposit insurance and \$1,244,927 of pledged securities 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 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.

5. Receivables

The receivables of \$289,994 at December 31, 2017, are as follows:

**Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Taxes:			
Ad valorem	\$ 7,001	\$	\$ 7,001
Sales and use	11,116		11,116
Beer Taxes	414		414
Franchise Tax	15,614		15,614
Other:			
Gaming Revenues	12,419		12,419
Rents and Royalties	1,312		1,312
Federal Grants			-
State Grants	3,150	32,977	36,127
Other			-
Interest Receivable	3,424	1,516	4,940
Gas, Water, and Sewer		206,457	206,457
Less: Allowance for uncollectables		(5,406)	(5,406)
Total	<u>\$ 54,450</u>	<u>\$ 235,544</u>	<u>\$ 289,994</u>

6. Inter-fund Receivables/Payables/Transfers

There are no interfund receivables or payables as of December 31, 2017.

7. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2017, for the primary government is as follows:

Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	70,675			70,675
Construction in Progress				-
Total capital assets, not being depreciated	70,675	-	-	70,675
Capital assets being depreciated				
Buildings	166,652	8,426		175,078
Machinery and equipment	636,585	10,790	(41,710)	605,665
Total capital assets being depreciated	803,237	19,216	(41,710)	780,743
Less accumulated depreciation for:				
Buildings	97,188	4,372		101,560
Machinery and equipment	556,678	20,457	(41,710)	535,425
Total accumulated depreciation	653,866	24,829	(41,710)	636,985
Total Capital assets net of Depreciation	220,046	(5,613)	-	214,433
Business-type activities:				
Capital assets, not being depreciated				
Land	4,000	-	-	4,000
Construction in progress	468,714	317,945		786,659
Total capital assets, not being depreciated	472,714	317,945	-	790,659
Capital assets being depreciated				
Buildings	11,096	-	-	11,096
Improvements other than buildings	2,531,262		-	2,531,262
Machinery and equipment	286,502	13,253	-	299,755
Total capital assets being depreciated	2,828,860	13,253	-	2,842,113
Less accumulated depreciation for:				
Buildings	10,093	455		10,548
Improvements other than buildings	1,445,261	65,822		1,511,083
Machinery and equipment	223,164	14,982	-	238,146
Total accumulated depreciation	1,678,518	81,259	-	1,759,777
Total business-type assets net of Depreciation	1,623,056	249,939	-	1,872,995
Total Net Capital Assets	1,843,102	244,326	-	2,087,428

Depreciation expense of \$24,829 for the year ended December 31, 2017, was charged to the following governmental functions:

**Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

General Government	\$ 2,074
Public Safety	19,632
Public Works	2,663
Cultural and Recreation	<u>460</u>
Total	<u><u>\$ 24,829</u></u>

8. Construction Commitments

The Town of Greensburg has been approved to receive a Louisiana Community Development Block Grant Funds to construct a new water well in the town up to a cost of \$692,450 as of December 31, 2017. The Town of Greensburg has recorded in the Gas, Water, and Sewer fund \$665,056 as construction in progress related to the water well project for 2017. The Town is in the process of constructing wastewater collection on Taylor Road. Construction in progress in the amount of \$8,133 has been recorded in the Gas, Water, and Sewer fund as of December 31, 2017 related to that project. Also the Town is in the process of constructing an Oxidation Pond. Construction in progress in the amount of \$113,470 has been recorded in the Gas, Water, and Sewer fund as of December 31, 2017 related to that project.

9. Accounts, Salaries, and Other Payables

The payables of \$136,919 at December 31, 2017, are as follows:

	General Fund	Proprietary Fund	Total
Withholdings	544	294	838
Accounts	14,297	121,784	136,081
Total	<u><u>\$ 14,841</u></u>	<u><u>\$ 122,078</u></u>	<u><u>\$ 136,919</u></u>

10. Short-Term Debt

The Town of Greensburg did not have any short-term debt during the fiscal year December 31, 2017.

11. Leases

In June 1989 the Town of Greensburg entered into a lease agreement with the St. Helena Babe Ruth Association whereby the Town Leases a parcel of land to them for a period of 50 years for a sum of \$1.

Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

12. Long-Term Obligations

The Town of Greensburg did not have any long-term debt during the fiscal year December 31, 2017.

13. Retirement Systems

Employees of the Town of Greensburg are members of the social security system. The employee payroll deductions and the Town's matching contributions are remitted to the system. Employer amounts contributed to social security for the year ended December 31, 2017 were \$26,809.

14. Restricted Net Position

At December 31, 2017, the statement of Net Position for the Proprietary fund has restricted net position in the amount of \$53,959 as, which are restricted deposits from customers.

15. Risk Management

The Town of Greensburg is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town of Greensburg attempts to minimize risk from significant losses through the purchase of insurance.

16. On-Behalf Payments For Fringe Benefits and Salaries

For the year ended December 31, 2017, on behalf payments in the form of supplemental payments were paid to employees of the police department. The town recorded \$29,149 on behalf payments in revenues and expenditures in the general fund.

17. Contracts

The Town of Greensburg as of December 31, 2017 had a contract with an energy company who furnishes natural gas for the Greensburg community. The utility company manages all aspects for the purchase, transportation, and delivery of the gas. The initial term of the contract began on October 1, 2003, and expired on September 30, 2004. At the conclusion of the initial term, the contract will automatically extend for successive one-year periods, provided however that either party may terminate this agreement at the end of any term, by giving the other party ninety days advance written notice of termination.

**Town of Greensburg
Greensburg, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

18. Litigation

The Town does not have any suits filed against them or any claims asserted against them as of December 31, 2017.

Required Supplemental Information (Part II)

Town of Greensubrg
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual (GAAP Basis)-General Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
Budgetary Fund Balances, Beginning	\$1,084,279	\$1,076,391	\$1,076,391	
Resources (Inflows)				
Taxes:				
Ad valorem	21,000	21,000	21,686	686
Sales and use	190,000	178,220	176,740	(1,480)
Other taxes, penalties, interest, etc.	67,065	61,895	60,910	(985)
Licenses and permits	68,000	64,090	64,072	(18)
Intergovernmental revenues:				-
Federal grants				-
State funds:				-
Parish transportation funds	6,300	6,300	6,300	-
Gaming Revenues	85,500	94,035	89,576	(4,459)
Other State Funds				-
Intergovernmental transfer of assets				-
Fines and forfeitures	13,000	27,900	25,495	(2,405)
Fire Insurance Rebates	3,100	3,304	3,304	-
Rents and Royalties	3,100	4,820	5,550	730
Investment earnings	9,750	8,200	6,309	(1,891)
Sale of Assets	-	400	400	-
Other revenues	-	3,350	3,350	-
Transfers In from Other Funds				
Transfers In from Other Governments				
Supplemental Pay	30,000	27,683	29,149	1,466
Amounts available for Appropriations	<u>1,581,094</u>	<u>1,577,588</u>	<u>1,569,232</u>	<u>(8,356)</u>
Charges to Appropriations (outflows)				
General government	135,014	146,745	148,430	(1,685)
Public safety	325,353	337,878	327,049	10,829
Public works	58,902	68,799	65,757	3,042
Cultural and recreation	3,000	3,000	2,733	267
Capital outlay	-	26,426	19,216	7,210
Total Charges to Appropriations	<u>522,269</u>	<u>582,848</u>	<u>563,185</u>	<u>19,663</u>
Budgetary Fund Balances, Ending	<u>\$1,058,825</u>	<u>\$994,740</u>	<u>\$1,006,047</u>	<u>\$ 11,307</u>

See Independent Auditor's Report.

Other Supplemental Information

Town of Greensburg

**Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2017**

Mayor and Board Members			Term	Total Amount
Amanda Ficklin-Mixon 66 College Stree, Greensburg, LA 70441	(985) 517-9147	Board Member	08/01/16-12/01/20	3,960
Edward Hanhart 78 Sitman Street, Greenburg, LA 70441	(985) 515-8285	Mayor	12/01/16-04/09/17	2,492
Danny Carruth 857 Taylor Road, Greensburg, LA 70441	(225) 222-6074	Board Member	12/01/12 - 12/01/20	3,960
Paula McNabb 725 Taylor St, Greensburg, LA 70441	(225) 222-3634	Mayor	04/10/17 - 12/01/20	4,460
Brenda Meadows 17290 Hwy 43, Greensburg, LA 70441	(225) 222-6467	Board Member	07/21/16-04/10/17	1,429
Aron E. Burton 331 S. Third Street, Greensburg, LA 70441	985-514-1929	Board Member	04/10/17-12/01/20	2,527
JoEllen Carruth 246 Timberlane Street, Greensburg, LA 70441	(985) 517-9147	Board Member	12/01/16 - 12/01/20	3,960
Huey B. Travis P.O. Box 727, Greensburg, LA 70441	(958)517-0218	Board Member	08/01/16-12/01/20	3,960
Total				26,748

See Independent Auditor's Report.

Town of Greensburg

**Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2017**

Agency Head Name: Paul McNabb, Mayor (April 10, 2017 - December 31, 2017)

<u>Purpose</u>	Amount
Salary	\$ 4,461
Employer Paid Medicare & Social Security	341
Total	<u>\$ 4,802</u>

Agency Head Name: Edward Hanhart, Mayor (January 1, 2017-April 9, 2017)

<u>Purpose</u>	Amount
Salary	\$ 2,492
Employer Paid Medicare & Social Security	192
Travel	112
Total	<u>\$ 2,796</u>

See Independent Auditor's Report.

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



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Hammond, Louisiana 70403

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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

To the Honorable Mayor, Paula McNabb
and Members of the Board of Aldermen
Town of Greensburg
Greensburg, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Greensburg, Greensburg, Louisiana, as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Town of Greensburg, Greensburg, Louisiana's basic financial statements and have issued my report thereon dated June 26, 2018.

Internal Control Over Financial Reporting

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

To the Honorable Mayor Paula McNabb,
and Members of the Board of Aldermen
Greensburg, Louisiana

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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Greensburg, Louisiana's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*.

To the Honorable Mayor Paula McNabb,
and Members of the Board of Aldermen
Greensburg, Louisiana

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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 purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Anthony B. Baglio, CPA
A Professional Accounting Corporation
Hammond, Louisiana

June 26, 2018

**TOWN OF GREENSBURG
GREENSBURG, LOUISIANA**

SCHEDULE OF CURRENT YEAR AUDIT FINDINGS

**TOWN OF GREENSBURG
GREENSBURG, LOUISIANA**

STATUS OF PRIOR YEAR AUDIT FINDINGS

TOWN OF GREENSBURG
Greensburg, Louisiana

Status of Prior Year Audit Findings
Year Ended December 31, 2017

Ref No	Fiscal Year	Description of Finding	Management's Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken
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Section I - Internal Control and Compliance Material to the Financial Statements:

Internal Control

None

Compliance

2016-01	Compliance with Sales Tax Law Gas and Water – Non- residential Customers	Corrected
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**REQUIRED REPORT BY
THE LOUISIANA LEGISLATIVE
AUDITOR**



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Town of Greensburg
Greensburg, Louisiana
and the
Louisiana Legislative Auditor
Baton Rouge, Louisiana

I have performed the procedures enumerated below, which were agreed to by management of Town of Greensburg (Town) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 – December 31, 2017. The Town's management is responsible for those C/C areas identified in the SAUPs.

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. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I 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

The procedures and associated findings are as follows:

PROCEDURES TO BE PERFORMED IN CONNECTION WITH LOUISIANA LEGISLATIVE AUDITOR STATEWIDE AGREED-UPON PROCEDURES

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,
 - 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,

Town of Greensburg
and the Louisiana Legislative Auditor

- c. **Disbursements** – including processing, reviewing, and approving,
- 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).
- e. **Payroll/Personnel** – including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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.
- 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)
- h. **Travel and expense reimbursement** – including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers,
- 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 ethic policy.
- j. **Debt Service** – including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserved requirements, and (4) debt service requirements.

Finding: 1 a-j. No findings.

Board or Finance Committee, if applicable

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws or other equivalent document,
 - b. Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c. Obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

- Finding:**
- 2 a. No finding.
 - 2 b. The board is presented the financial statements during their monthly meeting, however, there is no reference to the financial statements in the minutes.
 - 2 c. Not applicable.

Bank Reconciliations

3. 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 (1) month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each 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);
 - 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

Town of Greensburg
and the Louisiana Legislative Auditor

- 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.

Finding: 3 a-b. No findings.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposits sites if less than 5).
5. 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.
 - 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.
 - 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.
 - 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.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. 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:

Observe that receipts are sequentially pre-numbered.

Town of Greensburg
and the Louisiana Legislative Auditor

- a) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- b) Trace the deposit slip total to the actual deposit per the bank statement.
- c) 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).
- d) Trace the actual deposit per the bank statement to the general ledger.

- Finding:** 5 a. No finding.
5 b-d. The Town only has one clerk and one part-time employee. Verification and reconciliation is done by the mayor and an outside CPA firm.
6. No finding.
- 7 a. The Town has receipts but they are not sequentially numbered.
7 b-e. No finding.

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

- 8. 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).
- 9. For each location selected under #8 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.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - 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.
- 10. For each location selected under #8 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:

Town of Greensburg
and the Louisiana Legislative Auditor

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

- Finding:**
- 9 a. The department heads have a limited amount of purchase authority ranging from \$250 to \$3,000. Purchases are usually discussed with the mayor before they are purchased. All expenditures are brought before the board during their meetings.
 - 9 b. Bills are approved by the board for processing and payment.
 - 9 c. No finding.
 - 9 d. No finding.

 - 10 a. No finding.
 - 10 b. All bills go before the board for approval.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Town of Greensburg
and the Louisiana Legislative Auditor

- Finding:** 12 a. No finding.
12 b. No finding.
13. No finding.

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, 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:
- 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).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - 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).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Finding: 14 a-d. No findings.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

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- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Finding: 15a-d. No findings.

Payroll and Personnel

- 16. 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.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 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.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. 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 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.

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

Finding: No findings.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Finding: 20 a. Two of the five employees selected were part-time and did not have the one-hours ethics training.
20 b. The town employees sign the ethics policy when they are hired and not on a yearly basis.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Finding: The Town has no debt, bonds or notes outstanding.

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Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listings, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which they entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Finding: No findings.

Corrective Action Plan:

We will review the findings with our Board and our outside accounting firm to make any necessary corrections.

I was not engaged to and did not conduct an examination or review, the object of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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



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Hammond, Louisiana

June 26, 2018