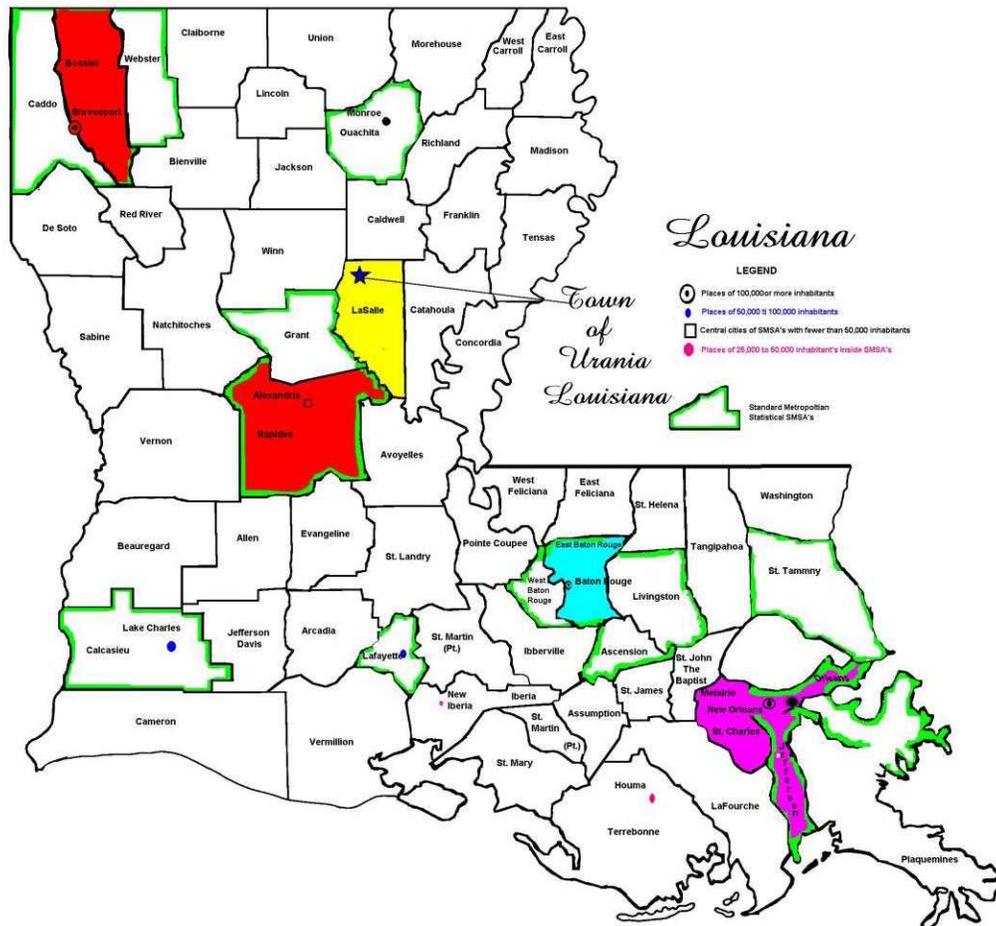


TOWN OF URANIA, LOUISIANA

Annual Financial Statements

JUNE 30, 2019

TOWN OF URANIA, LOUISIANA



✓ The Town of Urania was incorporated under the Lawrason Act, and operates under the Mayor-Board of Alderman form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

TOWN OF URANIA, LOUISIANA
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Certified Public Accountants

Association of
Certified Fraud Examiners

INDEPENDENT AUDITOR'S REPORT

Honorable Terri Corley, Mayor
Town of Urania
PO Box 339
Urania, LA 71480

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Town of Urania, Louisiana, as of and for the year ended June 30, 2019, 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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Town of Urania, as of October 8, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Urania's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2019, on our consideration of the Town of Urania's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Urania's internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana
October 8, 2019

TOWN OF URANIA

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town, we offer readers of the Town of Urania's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

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

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$458,971 (*net position*). This is a \$4,024 increase from last year, mainly due to an increase in cash and investments in the amount of \$11,738.
- The Town had total revenues of \$231,941, in which \$101,282 came from collection of fines and \$90,708 came from fees and charges. This is a \$6,752 increase from last year's revenues, mainly due to an increase in fines in the amount of \$23,974.
- The Town had total expenditures of \$362,538, which is a \$141,871 increase from last year, mainly due to an increase in general administrative in the amount of \$78,984 and an increase in police expense in the amount of \$64,957.

Enterprise Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$3,386,613 (*net position*). This is a \$164,594 increase from last year.
- The Town had total revenues of \$699,692, in which \$674,692 were operating revenues and \$25,000 were capital contributions. This is a \$254,973 increase from last year, mainly due to an increase in water sales in the amount of \$187,583.
- The Town had total expenses of \$414,179 in which \$398,985 was for operating expenses and \$15,194 was for non-operating expenses. This is a \$123,374 decrease from last year, mainly due to a decrease in administration expenses in the amount of \$129,609.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Effective, January 1, 2004, the Town adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

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

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

Reporting the Town's Most Significant Funds

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

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

MD&A

GOVERNMENTAL FUNDS

Comparative Statement of Net Position as of June 30, 2019:

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 162,700	\$ 174,438	7.2
Receivables	9,028	10,004	10.8
Other Current Assets	31,115	15,423	-50.4
Capital Assets, Net of Depreciation	263,337	271,099	3.0
Total Assets	<u>466,180</u>	<u>470,964</u>	1.0
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	11,233	11,993	6.8
Total Liabilities	<u>11,233</u>	<u>11,993</u>	6.8
Net Position			
Net Investment in Capital Assets	263,337	271,099	3.0
Restricted for Debt Service	-0-	-0-	0.0
Unrestricted	191,610	187,872	-2.0
Total Net Position	<u>\$ 454,947</u>	<u>\$ 458,971</u>	0.9

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2019:

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Revenues			
Fees & Charges	\$ 69,768	\$ 90,708	30.0
Taxes	11,346	7,415	-34.7
Fines	77,308	101,282	31.0
Grants	57,248	18,560	-67.6
Interest	224	224	0.0
Other	9,295	13,752	48.0
Total Revenues	<u>225,189</u>	<u>231,941</u>	3.0
Expenditures			
General & Administrative	133,697	212,681	59.1
Police Expense	9,381	74,338	692.4
Recreational	3,840	2,414	-37.1
Fire	6,078	6,113	0.6
Street & Sanitation	11,624	30,318	160.8
Capital Outlay	56,047	36,674	-34.6
Debt Service	-0-	-0-	0.0
Total Expenditures	<u>220,667</u>	<u>362,538</u>	64.3
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,522</u>	<u>(130,597)</u>	-2,988.0
Transfers In (Out)	22,675	126,859	459.5
Net Change in Fund Balance	27,197	(3,738)	-113.8
Fund Balances--Beginning	164,413	191,610	16.6
Fund Balances--Ending	<u>\$ 191,610</u>	<u>\$ 187,872</u>	-2.0

MD&A

ENTERPRISE FUNDS

Comparative Statement of Net Position as of June 30, 2019:

	2018	2019	% Change
Current Assets			
Cash & Cash Equivalents	\$ 52,857	\$ 189,424	258.4
Investments	132,162	183,668	39.0
Receivables (Net of Allowances For Uncollectable)	40,339	51,377	27.4
Prepaid Insurance	12,083	27,747	129.6
Total Current Assets	237,441	452,216	90.5
Non-Current Assets			
Restricted Assets	22,490	24,163	7.4
Capital Assets (Net of Accumulated Depreciation)	3,377,805	3,306,392	-2.1
Total Non-Current Assets	3,400,295	3,330,555	-2.1
Total Assets	3,637,736	3,782,771	4.0
Current Liabilities			
Accounts, Salaries, & Other Payables	14,334	13,695	-4.5
Due to Agency	280	1,103	293.4
Total Current Liabilities	14,614	14,798	1.3
Current Liabilities Payable From Restricted Assets			
Customer Deposits	22,490	24,163	7.4
Current Principal Payable	36,609	21,415	-41.5
Total Current Liabilities Payable From Restricted Assets	59,099	45,578	-22.9
Non-Current Liabilities			
Revenue Bonds	342,004	335,782	-1.8
Total Non-Current Liabilities	342,004	335,782	-1.8
Total Liabilities	415,717	396,158	-4.7
Net Position			
Net Investment in Capital Assets	2,999,192	2,949,195	-1.7
Unrestricted	222,827	437,418	96.3
Total Net Position	\$ 3,222,019	\$ 3,386,613	5.1

MD&A

ENTERPRISE FUNDS

Comparative Statement of Revenues, Expenses, & Changes in Net Position for the year ended June 30, 2019:

	2018	2019	% Change
Operating Revenues			
Water Sales	\$ 236,287	\$ 423,870	79.4
Sewer Charges	<u>202,492</u>	<u>250,822</u>	23.9
Total Operating Revenues	<u>438,779</u>	<u>674,692</u>	53.8
 Operating Expenses			
Administration	199,570	69,961	-65.0
Operations	175,292	194,759	11.1
Depreciation	<u>146,635</u>	<u>134,265</u>	-8.4
Total Operating Expenses	<u>521,497</u>	<u>398,985</u>	-23.5
 Operating Income (Loss)	<u>(82,718)</u>	<u>275,707</u>	433.3
 Non-Operating Revenues (Expenses)			
Interest Earnings	-0-	-0-	0.0
Interest Expense	<u>(16,056)</u>	<u>(15,194)</u>	-5.4
Total Non-Operating Revenues (Expenses)	<u>(16,056)</u>	<u>(15,194)</u>	-5.4
 Income (Loss) Before Contributions & Transfers	(98,774)	260,513	363.8
Transfers In/(Out)	(22,675)	(126,859)	459.5
Capital Contributions	<u>5,940</u>	<u>25,000</u>	320.9
 Change in Net Position	(115,509)	158,654	237.4
Prior Period Adjustment	(1,002)	5,940	692.8
 Total Net Position – Beginning	<u>3,338,530</u>	<u>3,222,019</u>	-3.5
Total Net Position – Ending	<u>\$ 3,222,019</u>	<u>\$ 3,386,613</u>	5.1

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2019, the Town had \$271,099 invested in capital assets, including equipment.

Capital Assets at Year-End

	2018	2019
Equipment	\$ 679,384	\$ 716,058
Land*	52,800	52,800
Accumulated Depreciation	(468,847)	(497,759)
Total	\$ 263,337	\$ 271,099

*Land in the amount of \$52,800 is not being depreciated.

Capital Assets – Enterprise Fund

At June 30, 2019, the Town had \$3,306,392 invested in capital assets, including the sewer system, machinery, and equipment.

Capital Assets at Year-End

	2018	2019
Sewer System	\$ 3,217,226	\$ 3,217,226
Water System	2,756,118	2,818,970
Accumulated Depreciation	(2,595,539)	(2,729,804)
Total	\$ 3,377,805	\$ 3,306,392

CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Town of Urania for the year ended June 30, 2019:

	Certificate of Indebtness	
	Water	Total
Notes Payable 06/30/2018	\$ 378,613	\$ 378,613
Additional Principal	-0-	-0-
Principal Retirement	(21,415)	(21,415)
Notes Payable 06/30/2019	\$ 357,198	\$ 357,198

MD&A

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the entity's finances and to show that the entity's accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Terri Corley at the Town Hall, phone number (318) 495-3452.

BASIC FINANCIAL STATEMENTS

TOWN OF URANIA, LOUISIANA
Statement of Net Position
June 30, 2019

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
CURRENT ASSETS			
Cash	\$ 144,913	\$ 189,424	\$ 334,337
Investments	29,525	183,668	213,193
Receivables (Net of Allowances for Uncollectible)	10,004	51,377	61,381
Prepaid Insurance	15,423	27,747	43,170
TOTAL CURRENT ASSETS	<u>199,865</u>	<u>452,216</u>	<u>652,081</u>
NON-CURRENT ASSETS			
Restricted Assets	-0-	24,163	24,163
Capital Assets (Net of Accumulated Depreciation)	271,099	3,306,392	3,577,491
TOTAL NON-CURRENT ASSETS	<u>271,099</u>	<u>3,330,555</u>	<u>3,601,654</u>
TOTAL ASSETS	<u>470,964</u>	<u>3,782,771</u>	<u>4,253,735</u>
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	11,993	13,695	25,688
Due to Agency	-0-	1,103	1,103
TOTAL CURRENT LIABILITIES	<u>11,993</u>	<u>14,798</u>	<u>26,791</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
Customer Deposits	-0-	24,163	24,163
Current Bonds & Notes Payable	-0-	21,415	21,415
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	<u>-0-</u>	<u>45,578</u>	<u>45,578</u>
NON-CURRENT LIABILITIES			
Bonds & Notes Payable	-0-	335,782	335,782
TOTAL NON-CURRENT LIABILITIES	<u>-0-</u>	<u>335,782</u>	<u>335,782</u>
TOTAL LIABILITIES	<u>11,993</u>	<u>396,158</u>	<u>408,151</u>
NET POSITION			
Net Investment in Capital Assets	271,099	2,949,195	3,220,294
Unrestricted	187,872	437,418	625,290
TOTAL NET POSITION	<u>\$ 458,971</u>	<u>\$ 3,386,613</u>	<u>\$ 3,845,584</u>

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2019

	PROGRAM REVENUES				NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Capital Grants & Contributions	Net (Expenses) Revenue	Governmental Activities	Business Type Activities	Total Activities
Governmental Activities							
General Government	\$ (231,547)	\$ 90,708	\$ 18,560	\$ (122,279)	\$ (122,279)		\$ (122,279)
Police	(80,935)	-0-	-0-	(80,935)	(80,935)		(80,935)
Fire	(6,656)	-0-	-0-	(6,656)	(6,656)		(6,656)
Recreation	(2,628)	-0-	-0-	(2,628)	(2,628)		(2,628)
Street & Sanitation	(33,010)	-0-	-0-	(33,010)	(33,010)		(33,010)
Interest on Long-Term Debt	-0-	-0-	-0-	-0-	-0-		-0-
Total Governmental Activities	(354,776)	90,708	18,560	(245,508)	(245,508)		(245,508)
Business Type Activities							
Water & Sewer	(398,985)	674,692	25,000	300,707		\$ 300,707	300,707
Interest on Long-Term Debt	(15,194)	-0-	-0-	(15,194)		(15,194)	(15,194)
Total Business Type Activities	(414,179)	674,692	25,000	285,513		285,513	285,513
Total Primary Government	\$ (768,955)	\$ 765,400	\$ 43,560	\$ 40,005			40,005
			General Revenues				
			Fines		101,282	-0-	101,282
			Taxes		7,415	-0-	7,415
			Interest Income		224	-0-	224
			Donations		5,373	-0-	5,373
			Other Income		8,379	-0-	8,379
			Transfers In (Out)		126,859	(126,859)	-0-
			Total General Revenues		249,532	(126,859)	122,673
			Change in Net Position		4,024	158,654	162,678
			Prior Period Adjustment		-0-	5,940	5,940
			Net Position - Beginning		454,947	3,222,019	3,676,966
			Net Position - Ending		\$ 458,971	\$ 3,386,613	\$ 3,845,584

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Balance Sheet, Governmental Funds
June 30, 2019

		GENERAL FUND
ASSETS		
Cash	\$	144,913
Investments		29,525
Receivables (Net of Allowances for Uncollectible)		10,004
Prepaid Insurance		15,423
TOTAL ASSETS		199,865
 LIABILITIES		
Accounts, Salaries, & Other Payables		11,993
TOTAL LIABILITIES		11,993
 FUND BALANCE		
Unassigned		187,872
TOTAL FUND BALANCE		187,872
 TOTAL LIABILITIES & FUND BALANCE	\$	199,865

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2019

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 187,872
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	271,099
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Other	<u>-0-</u>
Net Position of Governmental Activities (Statement A)	<u>\$ 458,971</u>

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	GENERAL
REVENUES	
Fees & Charges	\$ 90,708
Taxes	7,415
Fines	101,282
Grants	18,560
Interest	224
Donations	5,373
Other	8,379
TOTAL REVENUES	231,941
EXPENDITURES	
General & Administrative	212,681
Police Expense	74,338
Fire	6,113
Recreational	2,414
Street & Sanitation	30,318
Capital Outlay	36,674
TOTAL EXPENDITURES	362,538
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(130,597)
OTHER FINANCING SOURCES (USES)	
Transfers In (Out)	126,859
TOTAL OTHER FINANCING SOURCES (USES)	126,859
NET CHANGE IN FUND BALANCE	(3,738)
FUND BALANCES--BEGINNING	191,610
FUND BALANCES--ENDING	\$ 187,872

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2019

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

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ (3,738)
--	------------

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

Capital Outlay	36,674	
Current Depr.	<u>(28,912)</u>	7,762

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

-0-

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

-0-

Changes in Net Position of Governmental Activities, Statement B	\$ <u>4,024</u>
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The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Net Position, Proprietary Funds
June 30, 2019

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS (MAJOR ENTERPRISE FUNDS) WATER & SEWER FUND
CURRENT ASSETS	
Cash & Cash Equivalents	\$ 189,424
Investments	183,668
Receivables (Net of Allowances for Uncollectable)	51,377
Prepaid Insurance	27,747
TOTAL CURRENT ASSETS	452,216
NON-CURRENT ASSETS	
Restricted Assets	24,163
Capital Assets (Net of Accumulated Depreciation)	3,306,392
TOTAL NON-CURRENT ASSETS	3,330,555
TOTAL ASSETS	3,782,771
CURRENT LIABILITIES	
Accounts, Salaries, & Other Payables	13,695
Due to Agency	1,103
TOTAL CURRENT LIABILITIES	14,798
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Customer Deposits	24,163
Current Principal Payable	21,415
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	45,578
NON-CURRENT LIABILITIES	
Revenue Bonds	335,782
TOTAL NON-CURRENT LIABILITIES	335,782
TOTAL LIABILITIES	396,158
NET POSITION	
Net Investment in Capital Assets	2,949,195
Unrestricted	437,418
TOTAL NET POSITION	\$ 3,386,613

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Revenues, Expenses & Changes in Net Position
Proprietary Funds
June 30, 2019

		BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS (MAJOR ENTERPRISE FUNDS)
		WATER & SEWER FUND
OPERATING REVENUES		
Water Sales	\$	423,870
Sewer Charges		250,822
TOTAL OPERATING REVENUES		674,692
 OPERATING EXPENSES		
Administration		69,961
Operations		194,759
Depreciation		134,265
TOTAL OPERATING EXPENSES		398,985
 OPERATING INCOME (LOSS)		275,707
 NON-OPERATING REVENUES (EXPENSES)		
Interest Expense		(15,194)
TOTAL NON-OPERATING REVENUES (EXPENSES)		(15,194)
 INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS		260,513
Transfer In/(Out)		(126,859)
Capital Contributions		25,000
 CHANGE IN NET POSITION		158,654
 PRIOR PERIOD ADJUSTMENT		5,940
 TOTAL NET POSITION – BEGINNING		3,222,019
TOTAL NET POSITION – ENDING	\$	3,386,613

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Cash Flows
Proprietary Funds
June 30, 2019

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS (MAJOR ENTERPRISE FUNDS)
	WATER & SEWER FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers & Users	\$ 663,654
Payments to Suppliers & Employees	(278,528)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	385,126
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to Other Funds	(126,859)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(126,859)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Capital Grants	25,000
Capital Purchases	(56,912)
Principal on Capital Debt	(21,415)
Interest Paid on Capital Debt	(15,194)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	(68,521)
CASH FLOWS FROM INVESTING ACTIVITIES	
(Increase) Decrease in Investments & Restricted Funds	(53,179)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(53,179)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	136,567
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	52,857
CASH & CASH EQUIVALENTS, END OF YEAR	189,424
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	275,707
Depreciation Expense	134,265
(Increase) Decrease in Accounts Receivable	(11,038)
(Increase) Decrease in Prepaid Insurance	(15,664)
Increase (Decrease) in Accounts Payable	(640)
Increase (Decrease) in Due to Agency	823
Increase (Decrease) Customer Deposits	1,673
TOTAL ADJUSTMENTS	109,419
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 385,126

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Net Position
Fiduciary Funds
June 30, 2019

		PAYROLL AGENCY FUND
ASSETS		
Cash & Cash Equivalents	\$	5,212
Due from Enterprise Fund		1,103
TOTAL ASSETS		6,315
 LIABILITIES		
Accrued Payroll & Related		6,315
TOTAL LIABILITIES		6,315
 NET POSITION		
Held in Trust	\$	-0-

The accompanying notes are an integral part of this statement.

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Urania was incorporated under the provisions of the Lawrason Act. The entity operates under the Mayor-Board of Alderman form of government. The entity provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state, and federal governing bodies.

The accounting and reporting policies of the Town of Urania conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to 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.

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The municipality reports the following major governmental funds:

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

The municipality reports the following major proprietary funds:

- Water and Sewer Fund

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

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

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

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 are charges for services and sales taxes. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. EQUITY CLASSIFICATIONS

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

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

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

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

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

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

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

D. CASH, CASH EQUIVALENTS, & INVESTMENTS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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

All cash and investments (CD's over 90 days) are reported at cost and are on deposit at federally insured banks.

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

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

TOWN OF URANIA, LOUISIANA

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

Total Cash	\$	583,306
FDIC (<i>Category 1</i>)		368,167
Securities (<i>Category 2</i>)		274,293
Uncollateralized (<i>Category 3</i>)		-0-
Total Secured	\$	642,460

E. RECEIVABLES & PAYABLES

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

F. INVENTORIES

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, these supplies are expensed as purchased.

G. FIXED ASSETS & LONG-TERM LIABILITIES

For the year ended June 30, 2019, no interest costs were capitalized for construction of fixed assets. The Town of Urania has a capitalization policy of \$1,500.

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

	Life In Years
Water System	20-40
Sewer System	20-40
Buildings	40
Equipment	5-10

TOWN OF URANIA, LOUISIANA

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

(2) AD VALOREM TAXES

The entity levies taxes on real and business personal property located within its boundaries. The entity utilizes the services of the LaSalle Parish Tax Assessor to assess the property values and prepare the entity's property tax roll. The entity bills and collects its own property taxes.

Property Tax Calendar

Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

For the year ended June 30, 2019, taxes of 2.650 mills were levied against property having a valuation of some \$2,755,150 which produced some \$7,301 in revenue.

Ad Valorem Taxes are broken down as follows:

	Mills
Urania General Alimony	<u>2.650</u>
Total	<u>2.650</u>

(3) RESTRICTED ASSETS - PROPRIETARY FUND TYPES

At June 30, 2019, restricted assets of the Enterprise Funds were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

	Water
Meter Deposit	<u>\$ 24,163</u>
Total	<u>\$ 24,163</u>

TOWN OF URANIA, LOUISIANA

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

(4) ACCOUNTS RECEIVABLE & ALLOWANACE FOR BAD DEBTS

At June 30, 2019, no reserve for bad debts in the general fund was required since the estimated uncollectible receivables outstanding were considered immaterial.

	Enterprise Fund	Governmental Fund
	Water & Sewer Fund	General Fund
Fees & Charges	\$ -0-	\$ 10,004
Customer Allowance	53,742	-0-
	(2,365)	-0-
Total	\$ 51,377	\$ 10,004

*Allowances for uncollectables is estimated 5% of gross billing for water and sewer fund.

(5) FIXED ASSETS

PROPERTY ENTERPRISE FUND: PLANT AND EQUIPMENT

A summary of enterprise fund property, plant, and equipment at June 30, 2019, is as follows:

	Balance 6-30-2018	Additions (Deletions)	Balance 6-30-2019
Water System	\$ 2,762,058	\$ 56,912	\$ 2,818,970
Water Accumulated Depreciation	(1,212,227)	(68,102)	(1,280,329)
Net	1,549,831	(11,190)	1,538,641
Sewer Plant	3,217,226	-0-	3,217,226
Sewer Accumulated Depreciation	(1,383,312)	(66,163)	(1,449,475)
Net	\$ 1,833,914	\$ (66,163)	\$ 1,767,751

GOVERNMENTAL FUND

A summary of governmental fund depreciable assets at June 30, 2019, is as follows:

	Balance 6-30-2018	Additions (Deletions)	Balance 6-30-2019
Buildings & Equipment	\$ 679,384	\$ 36,674	\$ 716,058
Land*	52,800	-0-	52,800
Accumulated Depreciation	(468,847)	(28,912)	(497,759)
Net	\$ 263,337	\$ 7,762	\$ 271,099

*Land in the amount of \$52,800 is not being depreciated

TOWN OF URANIA, LOUISIANA

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

(6) CHANGES IN LONG-TERM DEBT

The following is a summary of bond and note transactions of the Town of Urania for the year ended June 30, 2019:

		<u>Certificate of Indebtness</u>	
		<u>Water</u>	<u>Total</u>
Notes Payable 06/30/2018	\$	378,613	\$ 378,613
Additional Principal		-0-	-0-
Principal Retirement		(21,415)	(21,415)
Notes Payable 06/30/2019	\$	<u>357,198</u>	<u>\$ 357,198</u>

Notes and bonds payable at June 30, 2019, are comprised of the following individual issues:

Certificates of Indebtedness (for Water Enterprise Fund):

\$410,000 water certificates of indebtedness to be issued December 1, 2016, 15 year maturity. \$3,051 in monthly installments at fixed 4.119%. (No bond covenants)	\$ 357,198
Total	\$	<u>357,198</u>

Annual Requirements to Amortize all Debts

The annual requirements to amortize all debt outstanding as of June 30, 2019, including interest payments are as follows:

<u>Year Ending June 30,</u>	<u>Water Note Payable</u>	<u>Total</u>
2020	\$ 36,609	\$ 36,609
2021	36,609	36,609
2022	36,609	36,609
2023	36,609	36,609
2024	36,609	36,609
2025-2029	183,045	183,045
2030-2034	73,218	73,218
Total	<u>\$ 439,308</u>	<u>\$ 439,308</u>

(7) DUE FROM (TO) OTHER FUNDS

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Enterprise Fund	\$ -0-	\$ (1,103)
Agency Fund	1,103	-0-
Total	<u>\$ 1,103</u>	<u>\$ (1,103)</u>

The amounts due to the Agency Fund are to pay payroll related expenses.

TOWN OF URANIA, LOUISIANA

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

(8) USE OF ESTIMATES

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

(9) ENCUMBRANCES

The entity does not utilize encumbrance accounting.

(10) RETIREMENT PLANS

The entity does not offer its employees a retirement plan. All employees are in the social security system.

(11) TRANSFERS

Transfers between funds were made for operational purposes.

(12) CHANGES IN FIDUCIARY NET POSITION

The following are the transactions for the Payroll Agency Fund for the year:

Additions		
Contributions	\$	217,801
Total Additions		<u>217,801</u>
Deductions		
Payroll & taxes		217,801
Total Deductions		<u>217,801</u>
Change in Net Position		-0-
Net Position-Beginning		-0-
Net Position-Ending	\$	<u>-0-</u>

TOWN OF URANIA, LOUISIANA

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

(13) ELECTED OFFICIAL'S SALARIES

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>	<u>Annualized Salary</u>
Terri Corley PO Box 654 Urania, LA 71480	Mayor	01/01/07 - 01/01/23	\$9,600
Pat McDougald PO Box 615 Urania, LA 71480	Board Member	01/01/07 - 01/01/23	\$240
Jay Ivy PO Box 673 Urania, LA 71480	Board Member	01/01/15 - 01/01/23	\$240
Dawn Book PO Box 429 Urania, LA 71480	Board Member	08/04/08 - 01/01/23	\$240
William "Bill" Brown PO Box 577 Urania, LA 71480	Board Member	01/01/11 - 01/01/23	\$240
Carl "Tom" Douglas PO Box 654 Urania, LA 71480	Board Member	01/01/19 - 01/01/23	\$120
Stacie Strain PO Box 351 Urania, LA 71480	Board Member	01/01/07 - 01/01/19	\$120
Wayne Corley PO Box 654 Urania, LA 71480	Chief of Police	01/01/07 - 01/01/23	\$24,000

TOWN OF URANIA, LOUISIANA

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

(14) WATER AND SEWER RATES

The Town of Urania has the following water and sewer rates. The deposit amounts are listed below:

Renter	\$ 250
Owner	\$ 100

<u>Water: (315 Customers)</u>	<u>Minimum Charge</u>	<u>Next</u>
Residential	\$25.00 for 1 st 2,000 gallons water used	\$5.00 per 1,000 gallons used thereafter
Commercial	\$50.00 for 1 st 2,000 gallons water used	\$5.00 per 1,000 gallons used thereafter
Industrial & Institutional Users	\$200.00 for 1 st 2,000 gallons water used	\$7.50 per 1,000 gallons used thereafter
<u>Sewer: (277 Customers)</u>		
Residential	Flat rate of \$18.50	
Commercial	Flat rate of \$50.00	
Industrial & Institutional Users	\$800.00 for 1 st 25,000 gallons water used	\$5.00 per 1,000 gallons used thereafter
School	Flat rate of \$250.00	

(15) PRIOR PERIOD ADJUSTMENT

A prior period adjustment in the amount of \$5,940 was made to correct fixed assets in enterprise fund.

(16) EXPENDITURES IN EXCESS OF APPROPRIATIONS

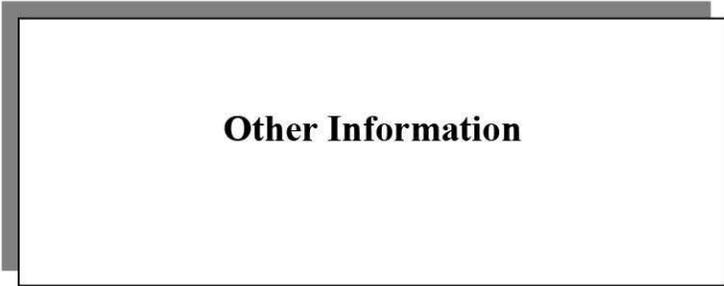
The Town overspent its budget by \$113,038 or 45.31% during the fiscal year.

**REQUIRED SUPPLEMENTAL
INFORMATION**

TOWN OF URANIA, LOUISIANA
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
General Fund
For the Year Ended June 30, 2019

	BUDGET AMOUNTS		ACTUAL	BUDGET
	ORIGINAL	FINAL	AMOUNTS BUDGETARY BASIS	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Fees & Charges	\$ 74,000	\$ 39,000	\$ 90,708	\$ 51,708
Taxes	10,000	8,000	7,415	(585)
Fines	85,000	85,000	101,282	16,282
Grants	40,000	28,000	18,560	(9,440)
Interest	500	-0-	224	224
Other	26,000	12,000	13,752	1,752
TOTAL REVENUES	<u>235,500</u>	<u>172,000</u>	<u>231,941</u>	<u>59,941</u>
EXPENDITURES				
General & Administrative	185,000	155,000	212,681	(57,681)
Police Expense	11,000	15,000	74,338	(59,338)
Recreational	10,000	9,000	2,414	6,586
Fire	8,000	7,500	6,113	1,387
Street & Sanitation	4,500	29,000	30,318	(1,318)
Capital Outlay	40,000	34,000	36,674	(2,674)
TOTAL EXPENDITURES	<u>258,500</u>	<u>249,500</u>	<u>362,538</u>	<u>(113,038)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(23,000)</u>	<u>(77,500)</u>	<u>(130,597)</u>	<u>(53,097)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	27,000	-0-	126,859	126,859
TOTAL OTHER FINANCING SOURCES (USES)	<u>27,000</u>	<u>-0-</u>	<u>126,859</u>	<u>126,859</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,000</u>	<u>\$ (77,500)</u>	<u>(3,738)</u>	<u>\$ 73,762</u>
FUND BALANCES--BEGINNING			191,610	
FUND BALANCES--ENDING			<u>\$ 187,872</u>	

The accompanying notes are an integral part of this statement.



Other Information

Town of Urania, Louisiana
Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2019

Town of Urania
Mayor Terri B. Corley

Purpose	Amount
Salary	\$ 9,600
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	3,840
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	303
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

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

See independent auditors report.

OTHER REPORTS

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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*

Honorable Terri Corley, Mayor
Town of Urania
PO Box 339
Urania, LA 71480

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Town of Urania, Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements and have issued our report thereon dated October 8, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Urania's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Urania's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Urania’s internal control over financial reporting.

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

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

in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies **(2019-1 Small Size of Entity)**.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Urania's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item: **2019-2 Budget Variance**.

The Town of Urania's Response to Findings

The Town of Urania's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Cost. The Town of Urania's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana
October 8, 2019

TOWN OF URANIA, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2019**

We have audited the basic financial statements of the Town of Urania, Louisiana, as of and for the year ended June 30, 2019, and have issued our report thereon dated October 8, 2019. We conducted our audit in accordance with generally accepted auditing standards 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.

Section I - Summary of Auditor's Results

Our audit of the financial statements as of June 30, 2019, resulted in an unmodified opinion.

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

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion on Compliance Unmodified Qualified
For Major Programs Disclaimer Adverse

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

Yes No

c. Identification of Major Programs:

CFDA Number (s)

Name of Federal Program (or Cluster)

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

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

TOWN OF URANIA, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2019**

Section II Financial Statement Findings

2019-1 Small Size of Entity (Internal Control)

Condition: Because of the small size of the Town and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Town's cash.

Criteria: Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

Cause of Condition: Small size of entity and lack of employees.

Effect of Condition: Significant deficiency in internal controls.

Recommendation: We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Client Response and Corrective Action: Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Contact Person: Terri Corley

Anticipated Completion Date: June 30, 2020

TOWN OF URANIA, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2019**

Section II Financial Statement Findings (Continued)

2019-2 Budget Variance (Compliance)

Condition: The Town had an unfavorable expenditure variance of \$113,038 or 45.31% in its general fund budget for the year ended June 30, 2019.

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

Cause of Condition: Under budgeting expenditures.

Effect of Condition: Violating the Budget Act.

Recommendation: The Town should amend its budget when there is an unfavorable variance in revenue or expenditures of more than 5%.

Client Response and Corrective Action: The Town will amend its budget when there is an unfavorable variance in revenue or expenditures of more than 5%.

Contact Person: Terri Corley

Anticipated Completion Date: June 30, 2020

Section III Federal Awards Findings and Questioned Costs

Not Applicable.

TOWN OF URANIA, LOUISIANA

MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No comments to report.

TOWN OF URANIA, LOUISIANA

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

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

The management of the Town of Urania, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2018

PRIOR YEAR FINDINGS

2018-1 Small Size of Entity (Unresolved)

Condition: Because of the small size of the Town and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Town's cash.

Client Response: Management continues to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

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MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

AGREED-UPON PROCEDURES REPORT

Town of Urania, Louisiana

Independent Accountant's Report

On Applying Agreed-Upon Procedures

For the Period of July 1, 2018- June 30, 2019

Town of Urania
Urania, Louisiana

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

The procedures and associated findings are as follows:

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.
 - 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 ethics policy.
 - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Observation: We obtained a copy of the written policies and procedures manual and read it for the above items.

Board or Finance Committee

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 that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, 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. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Observation:

- A) We read the minutes of the council meetings and found the council meets monthly.**
- B) The minutes do not address monthly budget-to-actual comparisons or monthly financial statements on any funds.**
- C) Not Applicable. Positive fund balance.**

Exception: The minutes do not address monthly budget-to-actual comparisons or monthly financial statements on any funds.

Managements Response: The board does review monthly financials each month and will document in monthly minutes of the meeting. Due to the small size of the Town and lack of funding/spending variations, budget-to-actual are only presented when a budget needs to be adopted or amended.

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 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

- 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.

Observation: The Town had no exceptions on this category in prior year. Procedures will be rotated to next audit period.

Collections (excluding EFTs)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Observation: We obtained the listing and management's representation that the listing is complete.

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.

Observation:

- A) Employees that are responsible for cash collections do share cash drawer/register.**
- B) Employees responsible for collecting cash are responsible for preparing/making bank deposits.**
- C) Employees responsible for collecting cash are responsible for posting collection entries.**
- D) Employees responsible for reconciling cash collections to the general ledger and subsidiary ledgers are responsible for collecting cash.**

Exception: Employees that are responsible for collections share cash drawer/register. Employees responsible for cash collections also make bank deposits, post collection entries, and reconcile ledgers.

Managements Response: The Town does not have enough employees to implement this procedure.

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

Observation: The Town has an employee theft policy.

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:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Observation:

A) Receipts are sequentially pre-numbered, but a receipt was not written for all collections in sample.

Exception: Receipts should be written on all transactions.

Management's Response: Receipts will be written on all transactions.

B) Traced pre-numbered receipts and/or collection log to deposit slips with no exceptions.

C) Traced the deposit slip to actual deposit per the bank statement with no exceptions.

D) Several deposits were not made within one business day.

Exception: Deposits not made daily.

Managements Response: Deposits must be split between general/water/sewer funds for each customer. The Town may not have adequate cash on hand to allocate funds. Management feels the cost/benefit of making daily deposits into one account and transferring between the other accounts is prohibitive.

E) Traced the deposit per the bank statement to the general ledger with no exceptions.

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).

Observation: We obtained the listing and management's representation that the listing is complete.

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.

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

Observation:

- A) Two employees are involved in initiating a purchase request with the Mayor and Board approving a purchase.**
- B) The Clerk is involved with processing payments to vendors with the Mayor approving the payment.**
- C) The employee responsible for processing payments is not prohibited from adding/modifying vendor files.**
- D) The Mayor gives checks to the employee to mail who is not responsible for processing payments.**

Exception: The employee responsible for processing payments is not prohibited from adding/modifying vendor files.

Management's Response: Due to small size of entity, proper internal controls are not always achievable. Mayor and board approve all purchases and dual signatures are required on all checks.

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:
- 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.

Observation:

- A) Selected 5 disbursements and matched to the related original invoice/billing statement with no exceptions.**
- B) Observed that disbursement documentation included evidence of segregation of duties that the Town is able to implement (Dual Signatures/Mayor Authority).**

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-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Observation: The Town had no exceptions on this category in prior year. Procedures will be rotated to next audit period.

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 (or electronically approved), 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.

Observation: The Town had no exceptions on this category in prior year. Procedures will be rotated to next audit period.

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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Observation: The Town had no exceptions on this category in prior year. Procedures will be rotated to next audit period.

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

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.

Observation: The Town had no exceptions on this category in prior year. Procedures will be rotated to next audit period.

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.
 - 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.

Observation: The Town had no exceptions on this category in prior year. Procedures will be rotated to next audit period.

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.

Observation: Obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Selected 5 employees/officials and employees did not have adequate documentation in employee file regarding pay rates.

Exception: Employees did not have adequate documentation in employee file regarding pay rates.

Management's Response: The Town will update all payroll files documenting pay rates and employees will sign in agreement with rate structures.

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.

Observation:

A) All employees tested had documented leave records except for one which was an elected official. Daily attendance was documented in a log by Police and Maintenance. There is no documented attendance for office employees.

Exception: Daily attendance not documented.

Managements Response: The Clerk oversees all employees and their attendance with oversight by Mayor.

B) No employees had written approval for attendance and leave.

Exception: No written approval for attendance and leave.

Managements Response: The Clerk monitors (with Mayor oversight) all employees and their attendance and leave. Mayor gives final authority on leave approval.

C) Accrued leave is maintained in Accounting Software and with manual log for each employee once they meet policy requirements. We found no exceptions when reviewing accrued or taken leave during the pay period.

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.

Observation: No terminations during audit period.

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.

Observation: Obtained 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.

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.

Observation: The Town had no exceptions on this category in prior year. Procedures will be rotated to next audit period.

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.

Observation: The Town had no exceptions on this category in prior year. Procedures will be rotated to next audit period.

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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Observation: The Town had no exceptions on this category in prior year. Procedures will be rotated to next audit period.

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 listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Observation: The Town had no exceptions on this category in prior year. Procedures will be rotated to next audit period.

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.

Observation: The Town had no exceptions on this category in prior year. Procedures will be rotated to next audit period.

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

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.

The Vercher Group

Jena, Louisiana

October 8, 2019