

TOWN OF URANIA, LOUISIANA

Annual Financial Statements

JUNE 30, 2017

TOWN OF URANIA, LOUISIANA
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June 30, 2017

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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, 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

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 September 8, 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 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 September 8, 2017, 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
September 8, 2017

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, 2017. 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 \$397,565 (*net position*). This is a \$112,649 increase from last year, mainly due to an increase in cash and investments in the amount of \$52,636.
- The Town had total revenues of \$230,411, in which \$59,897 came from collection of fines and \$77,170 came from fees and charges. This is a \$34,616 increase from last year's revenues, mainly due to an increase in grants in the amount of \$19,203.
- The Town had total expenditures of \$232,940, which is a \$53,231 increase from last year, mainly due to an increase in capital outlay in the amount of \$31,559 and an increase in general administrative expenses in the amount of \$16,260.

Enterprise Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$3,338,530 (*net position*). This is a \$82,593 increase from last year.
- The Town had total revenues of \$637,290, including operating revenues of \$419,444, non-operating revenues of \$67, and capital grants of \$217,779. This is a \$79,097 decrease from last year, mainly due to a decrease in capital grants in the amount of \$108,226.
- The Town had total expenses of \$495,972 in which \$479,520 was for operating expenses and \$16,452 was for non-operating expenses. This is a \$20,421 decrease from last year, mainly due to a decrease in operation expenses in the amount of \$31,577.

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, 2017:

	<u>2016</u>	<u>2017</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 92,194	\$ 144,830	57.1
Receivables	6,534	9,823	50.3
Other Current Assets	-0-	22,859	100.0
Capital Assets, Net of Depreciation	195,771	233,152	19.1
Total Assets	<u>294,499</u>	<u>410,664</u>	39.4
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	9,583	13,099	36.7
Total Liabilities	<u>9,583</u>	<u>13,099</u>	36.7
Net Position			
Net Investment in Capital Assets	195,771	233,152	19.1
Restricted for Debt Service	-0-	-0-	0.0
Unrestricted	89,145	164,413	84.4
Total Net Position	<u>\$ 284,916</u>	<u>\$ 397,565</u>	39.5

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2017:

	<u>2016</u>	<u>2017</u>	<u>% Change</u>
Revenues			
Fees & Charges	\$ 76,100	\$ 77,170	1.4
Taxes	11,939	12,268	2.8
Fines	57,631	59,897	3.9
Grants	42,327	61,530	45.4
Interest	129	627	386.0
Other	7,669	18,919	146.7
Total Revenues	<u>195,795</u>	<u>230,411</u>	17.7
Expenditures			
General & Administrative	114,527	130,787	14.2
Police Expense	8,642	10,903	26.2
Recreational	7,423	10,549	42.1
Fire	6,018	6,936	15.3
Street & Sanitation	12,349	11,456	-7.2
Capital Outlay	30,750	62,309	102.6
Debt Service	-0-	-0-	0.0
Total Expenditures	<u>179,709</u>	<u>232,940</u>	29.6
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,086</u>	<u>(2,529)</u>	-115.7
Insurance Proceeds	-0-	-0-	0.0
Transfers In (Out)	(19,658)	64,316	427.2
Net Change in Fund Balance	(3,572)	61,787	1,829.8
Prior Period Adjustment	-0-	13,481	100.0
Fund Balances--Beginning	92,717	89,145	-3.9
Fund Balances--Ending	<u>\$ 89,145</u>	<u>\$ 164,413</u>	84.4

MD&A

ENTERPRISE FUNDS

Comparative Statement of Net Position as of June 30, 2017:

	<u>2016</u>	<u>2017</u>	<u>% Change</u>
Current Assets			
Cash & Cash Equivalents	\$ 24,219	\$ 133,576	451.5
Investments	68,311	133,794	95.9
Receivables (Net of Allowances For Uncollectable)	179,014	32,095	82.1
Total Current Assets	<u>271,544</u>	<u>299,465</u>	10.3
Non-Current Assets			
Restricted Assets	109,404	20,665	-81.1
Capital Assets (Net of Accumulated Depreciation)	3,377,570	3,453,442	2.2
Total Non-Current Assets	<u>3,486,974</u>	<u>3,474,107</u>	-0.4
Total Assets	<u>3,758,518</u>	<u>3,773,572</u>	0.4
Current Liabilities			
Accounts, Salaries, & Other Payables	181,252	10,775	-94.1
Due to Agency	4,055	4,437	9.4
Total Current Liabilities	<u>185,307</u>	<u>15,212</u>	-91.8
Current Liabilities Payable From Restricted Assets			
Customer Deposits	26,256	20,665	-21.3
Accrued Interest	7,780	-0-	-100.0
Current Principle Payable	11,976	36,609	205.7
Total Current Liabilities Payable From Restricted Assets	<u>46,012</u>	<u>57,274</u>	24.5
Non-Current Liabilities			
Revenue Bonds	271,262	362,556	33.7
Total Non-Current Liabilities	<u>271,262</u>	<u>362,556</u>	33.7
Total Liabilities	<u>502,581</u>	<u>435,042</u>	-13.4
Net Position			
Net Investment in Capital Assets	3,094,330	3,054,277	-1.3
Restricted For Debt Service	74,082	-0-	-100.0
Unrestricted	87,525	284,253	224.8
Total Net Position	<u>\$ 3,255,937</u>	<u>\$ 3,338,530</u>	2.5

MD&A

ENTERPRISE FUNDS

Comparative Statement of Revenues, Expenses, & Changes in Net Position for the year ended June 30, 2017:

	<u>2016</u>	<u>2017</u>	<u>% Change</u>
Operating Revenues			
Water Sales	\$ 201,665	\$ 228,754	13.4
Sewer Charges	<u>188,620</u>	<u>190,690</u>	1.1
Total Operating Revenues	<u>390,285</u>	<u>419,444</u>	7.5
Operating Expenses			
Administration	163,099	170,881	4.8
Operations	199,863	168,286	-15.8
Depreciation	<u>135,689</u>	<u>140,353</u>	3.4
Total Operating Expenses	<u>498,651</u>	<u>479,520</u>	-3.8
Operating Income (Loss)	<u>(108,366)</u>	<u>(60,076)</u>	-44.6
Non-Operating Revenues (Expenses)			
Interest Earnings	97	67	-30.9
Interest Expense	<u>(17,742)</u>	<u>(16,452)</u>	-7.3
Total Non-Operating Revenues (Expenses)	<u>(17,645)</u>	<u>(16,385)</u>	-7.1
Income (Loss) Before Contributions & Transfers	(126,011)	(76,461)	-39.3
Transfers In/(Out)	19,658	(64,316)	-427.2
Capital Contributions	<u>326,005</u>	<u>217,779</u>	-33.2
Change in Net Position	219,652	77,002	-64.9
Prior Period Adjustment	-0-	5,591	100.0
Total Net Position – Beginning	<u>3,036,285</u>	<u>3,255,937</u>	7.2
Total Net Position – Ending	<u>\$ 3,255,937</u>	<u>\$ 3,338,530</u>	2.5

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2017, the Town had \$233,152 invested in capital assets, including equipment.

Capital Assets at Year-End

	2016	2017
Equipment	\$ 561,028	\$ 623,337
Land	52,800	52,800
Accumulated Depreciation	(418,057)	(442,985)
Total	\$ 195,771	\$ 233,152

*Land in the amount of \$2,000 is not being depreciated.

Capital Assets – Enterprise Fund

At June 30, 2017, the Town had \$3,453,442 invested in capital assets, including the sewer system, machinery, and equipment.

Capital Assets at Year-End

	2016	2017
Sewer System	\$ 3,219,376	\$ 3,217,226
Water System	2,486,297	2,684,118
Accumulated Depreciation	(2,328,104)	(2,447,902)
Total	\$ 3,377,569	\$ 3,453,442

CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Town of Urania for the year ended June 30, 2017:

		Revenue Bonds		
		Water	Sewer	Total
Bonds Payable 06/30/2016	\$	283,240	\$ -0-	\$ 283,240
Principal Retirement		(283,240)	-0-	(283,240)
Bonds Payable 06/30/2017	\$	-0-	-0-	-0-

		Certificate of Indebtness		
		Water	Sewer	Total
Notes Payable 06/30/2016	\$	-0-	\$ -0-	\$ -0-
Additional Principal		410,000	-0-	410,000
Principal Retirement		(10,835)	-0-	(10,835)
Notes Payable 06/30/2017	\$	399,165	-0-	399,165

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, 2017

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
CURRENT ASSETS			
Cash	\$ 115,570	\$ 133,576	\$ 249,146
Investments	29,260	133,794	163,054
Receivables (Net of Allowances for Uncollectible)	9,823	32,095	41,918
Other Current Assets	22,859	-0-	22,859
TOTAL CURRENT ASSETS	<u>177,512</u>	<u>299,465</u>	<u>476,977</u>
NON-CURRENT ASSETS			
Restricted Assets	-0-	20,665	20,665
Capital Assets (Net of Accumulated Depreciation)	233,152	3,453,442	3,686,594
TOTAL NON-CURRENT ASSETS	<u>233,152</u>	<u>3,474,107</u>	<u>3,707,259</u>
TOTAL ASSETS	<u>410,664</u>	<u>3,773,572</u>	<u>4,184,236</u>
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	13,099	10,775	23,874
Due to Agency	-0-	4,437	4,437
TOTAL CURRENT LIABILITIES	<u>13,099</u>	<u>15,212</u>	<u>28,311</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
Customer Deposits	-0-	20,665	20,665
Accrued Interest	-0-	-0-	-0-
Current Bonds & Notes Payable	-0-	36,609	36,609
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	<u>-0-</u>	<u>57,274</u>	<u>57,274</u>
NON-CURRENT LIABILITIES			
Bonds & Notes Payable	-0-	362,556	362,556
TOTAL NON-CURRENT LIABILITIES	<u>-0-</u>	<u>362,556</u>	<u>362,556</u>
TOTAL LIABILITIES	<u>13,099</u>	<u>435,042</u>	<u>448,141</u>
NET POSITION			
Net Investment in Capital Assets	233,152	3,054,277	3,287,429
Restricted for Debt Service	-0-	-0-	-0-
Unrestricted	164,413	284,253	448,666
TOTAL NET POSITION	<u>\$ 397,565</u>	<u>\$ 3,338,530</u>	<u>\$ 3,736,095</u>

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2017

	PROGRAM REVENUES				NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants & Contributions</u>	<u>Net (Expenses) Revenue</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total Activities</u>
Governmental Activities							
General Government	\$ (195,559)	\$ 77,170	\$ 61,530	\$ (56,859)	\$ (56,859)		\$ (56,859)
Interest on Long-Term Debt	-0-	-0-	-0-	-0-	-0-		-0-
Total Governmental Activities	<u>(195,559)</u>	<u>77,170</u>	<u>61,530</u>	<u>(56,859)</u>	<u>(56,859)</u>		<u>(56,859)</u>
Business Type Activities							
Water & Sewer	(479,520)	419,444	217,779	157,703		157,703	157,703
Interest on Long-Term Debt	(16,452)	-0-	-0-	(16,452)		(16,452)	(16,452)
Total Business Type Activities	<u>(495,972)</u>	<u>419,444</u>	<u>217,779</u>	<u>141,251</u>		<u>141,251</u>	<u>141,251</u>
Total Primary Government	<u>\$ (691,531)</u>	<u>\$ 496,614</u>	<u>\$ 279,309</u>	<u>\$ 84,392</u>			<u>84,392</u>
			General Revenues				
			Fines		59,897	-0-	59,897
			Taxes		12,268	-0-	12,268
			Interest Income		627	67	694
			Donations		12,351	-0-	12,351
			Other Income		6,568	-0-	6,568
			Transfers In (Out)		64,316	(64,316)	-0-
			Total General Revenues		<u>156,027</u>	<u>(64,249)</u>	<u>91,778</u>
			Change in Net Position		99,168	77,002	176,170
			Prior Period Adjustment		13,481	5,591	19,072
			Net Position - Beginning		284,916	3,255,937	3,540,853
			Net Position - Ending		<u>\$ 397,565</u>	<u>\$ 3,338,530</u>	<u>\$ 3,736,095</u>

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Balance Sheet, Governmental Funds
June 30, 2017

		GENERAL FUND
		<hr/>
ASSETS		
Cash	\$	115,570
Investments		29,260
Receivables (Net of Allowances for Uncollectible)		9,823
Other Current Assets		22,859
TOTAL ASSETS		<hr/> 177,512 <hr/>
 LIABILITIES		
Accounts, Salaries, & Other Payables		13,099
TOTAL LIABILITIES		<hr/> 13,099 <hr/>
 FUND BALANCE		
Restricted for Debt Service		-0-
Unassigned		164,413
TOTAL FUND BALANCE		<hr/> 164,413 <hr/>
 TOTAL LIABILITIES & FUND BALANCE	\$	<hr/> 177,512 <hr/>

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, 2017

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 164,413
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	233,152
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>\$ 397,565</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, 2017

	GENERAL
REVENUES	
Fees & Charges	\$ 77,170
Taxes	12,268
Fines	59,897
Grants	61,530
Interest	627
Donations	12,351
Other	6,568
TOTAL REVENUES	230,411
EXPENDITURES	
General & Administrative	130,787
Police Expense	10,903
Recreational	10,549
Fire	6,936
Street & Sanitation	11,456
Capital Outlay	62,309
TOTAL EXPENDITURES	232,940
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,529)
OTHER FINANCING SOURCES (USES)	
Insurance Proceeds	-0-
Transfers In (Out)	64,316
TOTAL OTHER FINANCING SOURCES (USES)	64,316
NET CHANGE IN FUND BALANCE	61,787
PRIOR PERIOD ADJUSTMENT	13,481
FUND BALANCES--BEGINNING	89,145
FUND BALANCES--ENDING	\$ 164,413

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, 2016

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

Net Change in Fund Balances, Total Governmental Funds, Statement E		\$ 61,787
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 Current Depr.	62,309 <u>(24,928)</u> 37,381
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.		<u>-0-</u>
Changes in Net Position of Governmental Activities, Statement B		<u>\$ 99,168</u>

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Net Position, Proprietary Funds
June 30, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS (MAJOR ENTERPRISE FUNDS) WATER & SEWER FUND
CURRENT ASSETS	
Cash & Cash Equivalents	\$ 133,576
Investments	133,794
Receivables (Net of Allowances for Uncollectable)	32,095
TOTAL CURRENT ASSETS	299,465
NON-CURRENT ASSETS	
Restricted Assets	20,665
Capital Assets (Net of Accumulated Depreciation)	3,453,442
TOTAL NON-CURRENT ASSETS	3,474,107
TOTAL ASSETS	3,773,572
CURRENT LIABILITIES	
Accounts, Salaries, & Other Payables	10,775
Due to Agency	4,437
TOTAL CURRENT LIABILITIES	15,212
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Customer Deposits	20,665
Current Principle Payable	36,609
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	57,274
NON-CURRENT LIABILITIES	
Revenue Bonds	362,556
TOTAL NON-CURRENT LIABILITIES	362,556
TOTAL LIABILITIES	435,042
NET POSITION	
Net Investment in Capital Assets	3,054,277
Unrestricted	284,253
TOTAL NET POSITION	\$ 3,338,530

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, 2017

		BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS (MAJOR ENTERPRISE FUNDS) WATER & SEWER FUND
OPERATING REVENUES		
Water Sales	\$	228,754
Sewer Charges		190,690
TOTAL OPERATING REVENUES		419,444
OPERATING EXPENSES		
Administration		170,881
Operations		168,286
Depreciation		140,353
TOTAL OPERATING EXPENSES		479,520
OPERATING INCOME (LOSS)		(60,076)
NON-OPERATING REVENUES (EXPENSES)		
Interest Earnings		67
Interest Expense		(16,452)
TOTAL NON-OPERATING REVENUES (EXPENSES)		(16,385)
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS		(76,461)
Transfer In/(Out)		(64,316)
Capital Contributions		217,779
CHANGE IN NET POSITION		77,002
PRIOR PERIOD ADJUSTMENT		5,591
TOTAL NET POSITION – BEGINNING		3,255,937
TOTAL NET POSITION – ENDING	\$	3,338,530

The accompanying notes are an integral part of this statement

TOWN OF URANIA, LOUISIANA
Statement of Cash Flows
Proprietary Funds
June 30, 2017

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS (MAJOR ENTERPRISE FUNDS)
	WATER & SEWER FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers & Users	\$ 566,364
Payments to Suppliers & Employees	(517,041)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	49,323
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to Other Funds	(64,316)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(64,316)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Capital Grants	217,779
Capital Purchases	(216,224)
Increase in Capital Debt	409,128
Principal on Capital Debt	(293,204)
Interest Paid on Capital Debt	(16,452)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	101,027
CASH FLOWS FROM INVESTING ACTIVITIES	
(Increase) Decrease in Investments & Restricted Funds	23,256
Interest & Dividends Received	67
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	23,323
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	109,357
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	24,219
CASH & CASH EQUIVALENTS, END OF YEAR	133,576
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	(60,076)
Depreciation Expense	140,353
(Increase) Decrease in Accounts Receivable	146,919
Increase (Decrease) in Accounts Payable	(170,475)
Increase (Decrease) in Due to Agency	382
Increase (Decrease) in Accrued Interest	(7,780)
Increase (Decrease) Customer Deposits	-0-
TOTAL ADJUSTMENTS	109,397
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 49,323

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Net Position
Fiduciary Funds
June 30, 2017

		PAYROLL AGENCY FUND
ASSETS		
Cash & Cash Equivalents	\$	1,387
Due from Enterprise Fund		4,437
TOTAL ASSETS		<u>5,824</u>
 LIABILITIES		
Accrued Payroll & Related		5,824
TOTAL LIABILITIES		<u>5,824</u>
 NET POSITION		
Held in Trust	\$	<u>-0-</u>

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.

Impact of Recently Issued Accounting Principles

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS No. 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 Statement of Net Assets is renamed the Statement of Net Position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012.

Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

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.

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.

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

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.

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.

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

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;
- 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.

TOWN OF URANIA, LOUISIANA

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

D. FIXED ASSETS & LONG-TERM LIABILITIES

For the year ended June 30, 2017, no interest costs were capitalized for construction of fixed assets.

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

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

E. CASH, CASH EQUIVALENTS, & INVESTMENTS

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.

Total Cash	\$ 457,381
FDIC (<i>Category 1</i>)	457,381
Securities (<i>Category 2</i>)	219,698
Uncollateralized (<i>Category 3</i>)	-0-
Total Secured	\$ 677,079

TOWN OF URANIA, LOUISIANA

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

F. INVENTORIES

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

G. ACCOUNTS RECEIVABLE & ALLOWANCE FOR BAD DEBTS

At June 30, 2017, 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-	\$ 9,823
Customer	33,405	-0-
Allowance	(1,310)	-0-
Total	\$ 32,095	\$ 9,823

H. COMPENSATED ABSENCES

The entity has no compensated absence policy.

(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, 2017, taxes of 2.65 mills were levied against property having a valuation of some \$2,878,340 which produced some \$7,628 in revenue.

Ad Valorem Taxes are broken down as follows:

	Mills
Urania General Alimony	2.65
Total	2.65

TOWN OF URANIA, LOUISIANA

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

(3) RESTRICTED ASSETS - PROPRIETARY FUND TYPES

At June 30, 2017, 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	20,665
Total	\$ 20,665

(4) FIXED ASSETS

PROPERTY ENTERPRISE FUND: PLANT AND EQUIPMENT

A summary of enterprise fund property, plant, and equipment at June 30, 2017, is as follows:

	Balance 6-30-2016	Additions (Deletions)	Balance 6-30-2017
Water System	\$ 2,467,894	\$ 216,224	\$ 2,684,118
Water Accumulated Depreciation	(1,085,780)	(60,181)	(1,145,961)
Net	1,382,114	156,043	1,538,157
Sewer Plant	3,217,226	-0-	3,217,226
Sewer Accumulated Depreciation	(1,220,570)	(81,371)	(1,301,941)
Net	\$ 1,996,656	\$ (81,371)	\$ 1,915,285

Enterprise fund assets are depreciated on the straight-line basis using the following useful lives:

Sewer Plant	40 Years
Water Plant	40 Years
Equipment	5-10 Years

GOVERNMENTAL FUND

A summary of governmental fund depreciable assets at June 30, 2017, is as follows:

	Balance 6-30-2016	Additions (Deletions)	Balance 6-30-2017
Equipment	\$ 561,028	\$ 62,309	\$ 623,337
Land	52,800	-0-	52,800
Accumulated Depreciation	(418,057)	(24,928)	(442,985)
Net	\$ 195,771	\$ 37,381	\$ 233,152

*Land in the amount of \$47,800 is not being depreciated

TOWN OF URANIA, LOUISIANA

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

Government fund assets are depreciated on the straight-line basis using the following useful lives:

Equipment	5-10 Years
Buildings	40 Years

(5) 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, 2017:

		Revenue Bonds	
		Water	Total
Bonds Payable 06/30/2016	\$	283,240	\$ 283,240
Additional Principal		-0-	-0-
Principal Retirement		(283,240)	(283,240)
Bonds Payable 06/30/2017	\$	-0-	\$ -0-

		Certificate of Indebtness	
		Water	Total
Notes Payable 06/30/2016	\$	-0-	\$ -0-
Additional Principal		410,000	410,000
Principal Retirement		(10,835)	(10,835)
Notes Payable 06/30/2017	\$	399,165	\$ 399,165

Notes and bonds payable at June 30, 2017, are comprised of the following individual issues:

Revenue bonds administered by the Water Enterprise Fund:

\$454,000 water serial bonds issued November 14, 1990, 40 year maturity, \$44,000 @ 6% with annual installments of \$2,944 and \$410,000 @ 6.25% with annual installments of \$27,855. -0-

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) ----- 399,165

Total \$ ----- 399,165

TOWN OF URANIA, LOUISIANA

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

Provision of Revenue Bond Indenture

Under the terms of the bond indenture on outstanding utility bonds, all income and revenues of every nature are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

- (a) On or before the 20th of each month, there will be set aside into a fund called the “Revenue Bond and Interest Sinking Fund” an amount constituting one-twelfth of the next maturing installment of principal and interest. Such transfers shall be fully sufficient to assure the prompt payment of principal and
- (b) On or before the 20th of each month, for the water bonds, a sum of 5% of the monthly payment being; made into the sinking fund must be deposited monthly into the “Reserve Fund” until it equals the highest combined annual debt service in any future year on all outstanding bonds. Such amounts may be used only for the payment of maturing bonds in the “Bond and Interest Sinking Fund” and as to which there would otherwise be default.
- (c) Funds will also be set aside into a “Depreciation and Contingency Fund” at the rate of \$278 per month for the water bonds. Money in this fund may be used for the making of extraordinary repairs as replacements to the systems, which are necessary to keep the systems in operating condition, and is not available for maintenance and operating expenses.

Annual Requirements to Amortize all Debts

The annual requirements to amortize all debt outstanding as of June 30, 2017, including interest payments are as follows:

<u>Year Ending June 30,</u>	<u>Water Note Payable</u>	<u>Total</u>
2018	30,609	30,609
2019	30,609	30,609
20120	30,609	30,609
2021	30,609	30,609
2023-2027	183,045	183,045
2028-2031	146,436	146,436
Total	\$ 451,917	\$ 451,917

TOWN OF URANIA, LOUISIANA

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

(6) DUE FROM (TO) OTHER FUNDS

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Enterprise Fund	-0-	(4,437)
Agency Fund	4,437	-0-
Total	\$ 4,437	\$ (4,437)

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

(7) 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.

(8) ENCUMBRANCES

The entity does not utilize encumbrance accounting.

(9) RETIREMENT PLANS

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

(10) TRANSFERS

Transfers between funds were made for operational purposes.

TOWN OF URANIA, LOUISIANA

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

(11) CHANGES IN FIDUCIARY NET POSITION

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

Additions		
Contributions	\$	188,880
Total Additions		<u>188,880</u>
Deductions		
Payroll & taxes		<u>188,880</u>
Total Deductions		<u>188,880</u>
Change in Net Position		-0-
Net Position-Beginning		-0-
Net Position-Ending	\$	<u>-0-</u>

(12) 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 - 01/01/18	\$9,600
Pat McDougald PO Box 615 Urania, LA 71480	Board Member	01/01/07 - 01/01/18	\$240
Stacie Strain PO Box 351 Urania, LA 71480	Board Member	01/01/07 - 01/01/18	\$240
Jay Ivy PO Box 673 Urania, LA 71480	Board Member	01/01/15 - 01/01/18	\$240
Dawn Book PO Box 429 Urania, LA 71480	Board Member	08/04/08 - 01/01/18	\$240
William "Bill" Brown PO Box 577 Urania, LA 71480	Board Member	01/01/11 - 01/01/18	\$240
Wayne Corley PO Box 654 Urania, LA 71480	Chief of Police	01/01/07 - 01/01/18	\$24,000

TOWN OF URANIA, LOUISIANA

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

(13) 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	\$100.00 for 1 st 2,000 gallons water used	\$5.00 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	\$600.00 for 1 st 25,000 gallons water used	\$3.00 per 1,000 gallons used thereafter
School	Flat rate of \$150.00	

(14) PRIOR PERIOD ADJUSTMENTS

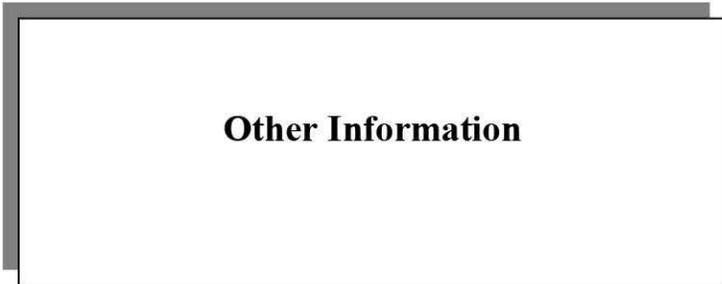
- 1) A prior period adjustment in the amount of \$13,481 was made to correct investment balance. Error in prior year bank confirmation.
- 2) A prior period adjustment in the amount of \$5,591 was made to correct customer deposit liabilities. The Town had deposits on a manual system and a computer system. All deposits have been entered into software and are reconciled.

**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, 2017

	BUDGET AMOUNTS		ACTUAL	BUDGET
	ORIGINAL	FINAL	AMOUNTS BUDGETARY BASIS	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Fees & Charges	\$ 70,000	\$ 70,000	\$ 77,170	\$ 7,170
Taxes	8,000	8,000	12,268	4,268
Fines	60,000	50,000	59,897	9,897
Grants	60,000	25,000	61,530	36,530
Interest	-0-	500	627	127
Other	22,000	18,000	18,919	919
TOTAL REVENUES	<u>220,000</u>	<u>171,500</u>	<u>230,411</u>	<u>58,911</u>
EXPENDITURES				
General & Administrative	145,000	185,000	130,787	54,213
Police Expense	10,000	12,000	10,903	1,097
Recreational	45,000	20,000	10,549	9,451
Fire	7,000	8,000	6,936	1,064
Street & Sanitation	10,000	5,000	11,456	(6,456)
Capital Outlay	3,000	65,000	62,309	2,691
TOTAL EXPENDITURES	<u>220,000</u>	<u>295,000</u>	<u>232,940</u>	<u>62,060</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-0-</u>	<u>(123,500)</u>	<u>(2,529)</u>	<u>120,971</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>-0-</u>	<u>34,355</u>	<u>64,316</u>	<u>29,961</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-0-</u>	<u>34,355</u>	<u>64,316</u>	<u>29,961</u>
NET CHANGE IN FUND BALANCE	<u>\$ -0-</u>	<u>\$ (89,145)</u>	61,787	<u>\$ 150,932</u>
PRIOR PERIOD ADJUSTMENTS			13,481	
FUND BALANCES--BEGINNING			<u>89,145</u>	
FUND BALANCES--ENDING			<u>\$ 164,413</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, 2017

Town of Urania
Mayor Terri B. Corley

Purpose	Amount
Salary	\$ 9,600.00
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	3,840.00
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

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

See independent 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, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated September 8, 2017.

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. **(2017-1 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
September 8, 2017

TOWN OF URANIA, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2017**

We have audited the basic financial statements of the Town of Urania, Louisiana, as of and for the year ended June 30, 2017, and have issued our report thereon dated September 8, 2017. 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, 2017, 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, 2017**

Section II Financial Statement Findings

2017-1 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, 2018

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, 2016

PRIOR YEAR FINDINGS

2016-I-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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AGREED-UPON PROCEDURES REPORT

Town of Urania, Louisiana

Independent Accountant's Report

On Applying Agreed-Upon Procedures

For the Period of July 1, 2016- June 30, 2017

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, 2016 through June 30, 2017. 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 the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - 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**, including receiving, recording, and preparing deposits.
 - 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, and (5) monitoring card usage.
 - 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. Note: Ethics requirements are not applicable to nonprofits.
 - j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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

Exception: The policy and procedures manual did not address debt service and credit cards.

Management's response: The town will add debt service and credit cards to its policy and procedures manual.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Observations:

A) We read the minutes of the council meetings and found the council meets monthly.

B) Budget-to-actual comparisons are not presented each month.

C) Minutes included non-budgetary financial information such as contract approvals and disbursement approvals.

Exception: Budget-to-actual comparisons are not presented each month.

Managements Response: Due to the small size of the entity and a lack of large transactions, the Town only reviews and revises the budget when large unexpected transactions occur.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
- a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Observation: We obtained a listing of bank accounts on bank confirmations and management signed the confirmations to represent the listings were complete.

A) Bank reconciliations are prepared for all bank accounts that have activity.

B) Bank statements are received by a clerk that reconciles the statement. Mayor reviews bank reconciliations monthly.

C) Inquiry found the Town reviews old outstanding items after annual audit.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

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

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.*

For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Observation:

A) We found that 1) all employees are bonded, 2) the clerk is not responsible for deposited cash in the bank and 3) the Town only has one register due to small size of entity which is shared.

Exception: The collection clerk shares the register with other employees due to small size of entity.

Management's response: Management feels the cost/benefit of implementing this procedure is prohibitive.

B) The individual that reconciles cash collections to the general ledger may be responsible for cash collections in the cash collection location.

Exception: The collection clerk shares the register with other employees

Management's response: Management feels the cost/benefit of implementing this procedure is prohibitive.

C) We traced daily collections to the deposit date on the corresponding bank statement and deposits were made within one day of collection. However, after inquiry with clerk, the Town does not always make daily deposits due to small amount of funds on hand.

Exception: Deposits not always made daily.

Managements Response: Due to the lack of cash collections, the Town can't justify making daily deposits.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Observation: The Town does not have written documentation, such as a policy manual or written procedures, to determine completeness of all collections. The Town does have a process specifically designed to determine completeness of collection, which include receipts books and reconciliations of funds.

Exception: No written documentation (e.g. policy manual, written procedure) for the Town's process defined to determine completeness of all collections.

Managements Response: The Town will create a policy or written procedure to determine completeness of all collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Observation: We obtained a general ledger from the Town and management's representation that the general ledger population is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Observation: We randomly selected 25 disbursements and obtained supporting documentation of the following:

- A) Purchases were initiated using a purchase order system.**
- B) Purchase orders are approved by a person not initiating the purchase.**
- C) Purchases are not processed without an approved invoice.**

- 10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Observation: Inquiry found that the person responsible for processing payments is not prohibited from adding vendors to the Town's purchasing/disbursement system.

Exception: The Clerk is responsible for processing payments and adds vendors to the entity's purchasing/disbursement system.

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

- 11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Observation: The mayor and council have the final authorization for disbursements and have no responsibility for initiating or recording purchases.

- 12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Observation: Inquiry and observation found that unused checks are locked in the Town's vault.

- 13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Observation: Not applicable.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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: Management provided a listing of all credit cards and management's representation that the list is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Observation: The Town has (1) one Visa card.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation 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) Report whether finance charges and/or late fees were assessed on the selected statements.

Observation: We obtained the monthly statement March 2017 and tested it for the following:

- A) The statement was reviewed and approved by board at monthly board meeting.**
- B) There were no finance charges or late fees on the statement.**

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan,

pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Observation: We tested the April 2017 statement for the following:

- A) Itemized receipt, documentation of the business purpose and meals documented as to the individuals participating.**
- B) Compared each transaction with the Town’s written purchasing/disbursement policies and the Louisiana Public Bid Law.**
- C) Documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution.**

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management’s representation that the listing or general ledger is complete.

Observation: Management provided a general ledger and management’s representation that the general ledger is complete.

18. Obtain the entity’s written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Observation: We obtained the Town’s written policies relating to travel and related expense reimbursements and compared it to the per diem and mileage rates established by the U.S. General Services Administration.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity’s documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Observation: We selected the only two persons who incurred travel cost during the fiscal period and chose the largest travel expense for each person.

- A) We compared to written polices and found it to be correct.**
- B) Each expense is supported by documentation stating the purpose and a receipt where applicable.**
- C) Compared documentation of the business purposes to the requirements of Article 7, Section 14 of Louisiana Constitution and found no exceptions.**
- D) Each expense was approved by the Mayor which signs all checks which constitutes approval in writing.**

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management’s representation that the listing or general ledger is complete.

Observation: We obtained a general ledger from management and management’s representation that the general ledger is complete.

21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Observation: We found that the Town had 1 contract during the fiscal year and we tested them for the following:

- A) There is a formal /written contract that supports the services arrangement and the amount paid.
- B) One contract was subject to the Louisiana Public Bid Law and documentation show that bids were taken and administered by the Town’s engineer.
- C) The contracts had not been amended.
- D) We selected the largest payment from the contract. Obtained the invoice and compared the invoice to the contract terms.
- E) The minutes show that the contracts were approved by council.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management’s representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Observation: We randomly selected 5 employees and tested as follows:

- A) There was no employment contract and no documented pay rate structure.
- B) No employees selected have a pay rate change.

Exception: The Town does not have written documentation of pay rates in employee’s personnel files.

Management’s response: The Town will provide written documentation of pay rates in the employee’s personnel files.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether 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) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Observation: We tested 6 employee's personnel files for the following:

- A) All employees tested had daily attendance records except for one employee who was an elected official.
- B) No employees had written approval for attendance and leave.
- C) Written documentation was maintained on all employees with the exception of elected officials.

Exception: No written approval for attendance and leave.

Managements Response: Mayor verbally authorizes any days off and it is documented by clerk on leave records. The Town will begin to document written approval for attendance and leave.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Observation: The town had one employee terminate during the fiscal year and accrued leave was documented and approved by management.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Observation: We reviewed forms 941 and the general ledger accrual accounts and found no delinquent payments.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Observation: All five employees had documentation of ethics compliance.

Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Observation: Inquiry found no alleged ethics violations reported to the Town during the fiscal year.

Debt Service (excluding nonprofits)

27. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Observation: Obtained supporting documentation and found the Town obtained State Bond Commission approval on loan.

28. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Observation: We tested all debt and found the Town has no debt covenants with current loan.

29. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Observation: Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Observation: Inquiry found no reported misappropriations of public funds.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Observation: The Town does not have the notice posted on its premises or web site.

Exception: The Town does not have the notice posted on its premises or web site.

Management's response: The Town will have the notice posted on its premises.

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

September 8, 2017