

TOWN OF ALBANY, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

Town of Albany
Annual Financial Statements
As of and for the Year Ended June 30, 2020
With Supplemental Information Schedules

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Annual Financial Statements
As of and for the Year Ended June 30, 2020
With Supplemental Information Schedules

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Albany, Louisiana as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Albany, Louisiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, and each major fund of the Town of Albany, Louisiana as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 – 12 and 46 – 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Albany, Louisiana's basic financial statements. The Combining Schedule of Revenues, Expenses, and Changes in Net Position; Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Water Utility System; Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Sewer Utility System; Schedule of Water and Sewer Rates; Schedule of Number of Customers; Schedule of Insurance; Schedule of Compensation Paid to Board Members; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

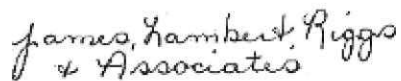
The Combining Schedule of Revenues, Expenses, and Changes in Net Position; Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Water Utility System; Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual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

Town of Albany, Louisiana

Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2020, on our consideration of the Town of Albany, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Albany, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Albany, Louisiana's internal control over financial reporting and compliance.

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

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

December 10, 2020

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

Town of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2020

Introduction

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

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

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

Financial Highlights

- At June 30, 2020, the Town's assets exceeded its liabilities by \$6,932,749 (net position). Of this amount \$1,727,550 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens.
- For the year ended June 30, 2020, the Town's total net position increased by \$954,831.
- At June 30, 2020, the Town's governmental funds reported a combined ending fund balance of \$264,322, an increase of \$137,005 for the year. Of this amount, approximately 95% or \$250,731 is available for spending at the Town's discretion (unassigned fund balances).
- At June 30, 2020, the Town's proprietary fund reported ending net position of \$5,177,885, an increase of \$944,719 for the year. Of this amount, approximately 24 percent or \$1,267,311 is available for spending at the Town's discretion (unrestricted net position).
- For the year ended June 30, 2020, the Town made principal payments on bonded debt for the proprietary fund of \$91,989, and incurred \$178,540 in interest expense, compared to \$180,680 of interest expense in the prior fiscal year.

Overview of the Annual Financial Report

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

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

Town of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2020

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Town uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Town of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2020

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

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

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

Notes to the Financial Statements

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

Town of Albany, Louisiana
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2020

Government-Wide Financial Analysis

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets:						
Current and Other Assets	\$ 322,109	\$ 374,858	\$ 2,274,465	\$ 1,791,539	\$ 2,596,574	\$ 2,166,397
Capital Assets	1,464,719	1,469,056	7,305,119	6,743,878	8,769,838	8,212,934
Total Assets	<u>1,786,828</u>	<u>1,843,914</u>	<u>9,579,584</u>	<u>8,535,417</u>	<u>11,366,412</u>	<u>10,379,331</u>
Liabilities:						
Long-Term Debt Outstanding	-	2,195	4,038,930	4,141,309	4,038,930	4,143,504
Other Liabilities	31,964	96,967	362,769	160,942	394,733	257,909
Total Liabilities	<u>31,964</u>	<u>99,162</u>	<u>4,401,699</u>	<u>4,302,251</u>	<u>4,433,663</u>	<u>4,401,413</u>
Net Position:						
Net Investment in Capital Assets	1,464,719	1,395,883	3,266,189	2,602,569	4,730,908	3,998,452
Restricted	6,139	11,091	644,385	579,872	650,524	590,963
Unrestricted	284,006	337,778	1,267,311	1,050,725	1,551,317	1,388,503
Total Net Position	<u>\$ 1,754,864</u>	<u>\$ 1,744,752</u>	<u>\$ 5,177,885</u>	<u>\$ 4,233,166</u>	<u>\$ 6,932,749</u>	<u>\$ 5,977,918</u>

Approximately 68% of the Town's net position reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately 9% of the Town's net position represents resources that are subject to external restriction on how they may be used. The Town's restricted net position consists of cash reserves required by revenue bond agreements and cash for customer deposits net of corresponding liabilities.

Approximately 25% of the Town's net position are unrestricted and may be used to meet the Town's ongoing obligations to its citizens.

Town of Albany, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2020**

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

The Town's activities increased its total net position by \$954,831 with governmental activities increasing net position by \$10,112 and business-type activities increasing net position by \$944,719.

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

Changes in Net Position						
For the years ended June 30, 2020 and 2019						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 95,762	\$ 67,654	\$ 1,536,935	\$ 1,475,347	\$ 1,632,697	\$ 1,543,001
Operating Grants and Contributions	31,913	44,861	-	-	31,913	44,861
Capital Grants and Contributions	19,207	23,165	-	-	19,207	23,165
General Revenues	<u>721,757</u>	<u>1,577,224</u>	<u>405,837</u>	<u>84,644</u>	<u>1,127,594</u>	<u>1,661,868</u>
Total Revenues	<u>868,639</u>	<u>1,712,904</u>	<u>1,942,772</u>	<u>1,559,991</u>	<u>2,811,411</u>	<u>3,272,895</u>
Expenses:						
Governmental Activities	858,527	828,794	-	-	858,527	828,794
Business-Type Activities	-	-	998,053	1,122,699	998,053	1,122,699
Total Expenses	<u>858,527</u>	<u>828,794</u>	<u>998,053</u>	<u>1,122,699</u>	<u>1,856,580</u>	<u>1,951,493</u>
Change in Net Position Before Transfers and Contributions	10,112	884,110	944,719	437,292	954,831	1,321,402
Transfers (Out) In	-	250,000	-	(250,000)	-	-
Change in Net Position	<u>10,112</u>	<u>1,134,110</u>	<u>944,719</u>	<u>187,292</u>	<u>954,831</u>	<u>1,321,402</u>
Net Position, Beginning	<u>1,744,752</u>	<u>610,642</u>	<u>4,233,166</u>	<u>4,045,874</u>	<u>5,977,918</u>	<u>4,656,516</u>
Net Position, Ending	<u>\$ 1,754,864</u>	<u>\$ 1,744,752</u>	<u>\$ 5,177,885</u>	<u>\$ 4,233,166</u>	<u>\$ 6,932,749</u>	<u>\$ 5,977,918</u>

Town of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2020

Governmental Activities

The Town's governmental net position increased by \$10,112 to \$1,754,864. Capital grants and contributions were \$19,107 to help pay for new street equipment purchased after the flood of 2016. General revenues decreased by \$855,467 or 54%. In the prior year, the Town's FEMA revenue was \$899,637 to help build the Town Hall due to the damages from the flood of 2016.

Business-Type Activities

The Town's business-type net position increased by \$944,719 to \$5,177,885. The increase is approximately a 22 percent gain of ending net position. In comparison, the previous fiscal year had a 4 percent gain of ending net position. Charges for services increased approximately 4% or \$61,588. In comparison, the previous fiscal year had a 1% increase. In 2020, the Town recorded \$385,663 as Intergovernmental – FEMA revenue in the business-type activities for reimbursement of the repairs to the sewer pond damaged in the flood of 2016.

Fund Financial Analysis

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

Governmental Funds

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

At the end of the current year, the Town's governmental funds reported combined ending fund balances of \$264,322. Of the total balance, \$250,731 is unassigned and available for spending at the Town's discretion and \$6,139 is restricted for the J&N Park. This represents an increase of \$18,137, or approximately 108% of the prior year's ending fund balances.

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

Proprietary Funds

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

Town of Albany, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2020**

General Fund Budgetary Highlights

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

- The Town increased its original budget for FEMA reimbursements by \$62,200 which was for the new Town Hall.
- The Town decreased its capital outlay budget for general and administration by \$50,500 which was mostly for the new Town Hall.

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

- The Town budgeted \$480,000 for sales tax revenue. The actual amounts was \$14,582 more than budgeted.
- The Town budgeted \$6,900 for building & ground maintenance. The actual amount was \$7,506 more than budgeted due to additional maintenance near year end.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$4,554,675 (net of depreciation). The total increase in the Town's investment in capital assets for the current fiscal year was \$556,223 (net of depreciation).

Major capital asset events during the current year included completion of the new Town Hall of \$35,445.

Utility fund additions included a new sewer pond with \$589,236 spent for the June 30, 2020 fiscal year. Other additions included purchasing replacing water meters for \$136,088, additional waterlines for \$95,392, and attorney and engineering fees for sewer system improvements.

The following table provides a summary of the Town's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 8 to the financial statements in this report.

Town of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2020

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Capital Assets						
Land	\$ 43,850	\$ 43,850	\$ 130,429	\$ 130,429	\$ 174,279	\$ 174,279
Construction in Progress	-	1,022,150	135,459	36,078	135,459	1,058,228
Buildings	1,088,090	24,157	83,712	83,712	1,171,802	107,869
Improvements	3,868	3,868	-	-	3,868	3,868
Vehicles and Equipment	466,612	431,938	316,159	316,159	782,771	748,097
Infrastructure - Sidewalks	322,153	322,153	-	-	322,153	322,153
Water Utility System	-	-	7,521,581	7,330,786	7,521,581	7,330,786
Sewer Utility System	-	-	4,440,523	3,822,365	4,440,523	3,822,365
Subtotal Capital Assets	1,924,573	1,848,116	12,627,863	11,719,529	14,552,436	13,567,645
Less: Accumulated Depreciation	(459,854)	(379,060)	(5,322,744)	(4,975,651)	(5,782,598)	(5,354,711)
Capital Assets, Net	\$ 1,464,719	\$ 1,469,056	\$ 7,305,119	\$ 6,743,878	\$ 8,769,838	\$ 8,212,934

Long-Term Debt

At June 30, 2020, the Town had total debt outstanding of \$4,038,930. Of this total, \$109,971 is due within one year and \$3,928,959 is due within greater than one year. The following table provides a summary of the Town's outstanding debt at the end of the current year as compared to the prior year. For more detailed information, see Note 12 to the financial statements in this report.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Capital Leases	\$ -	\$ 2,195	\$ 11,098	\$ 21,488	\$ 11,098	\$ 23,683
Revenue Bonds	-	-	4,027,832	4,119,821	4,027,832	4,119,821
Total Outstanding Debt	\$ -	\$ 2,195	\$ 4,038,930	\$ 4,141,309	\$ 4,038,930	\$ 4,143,504

Other Factors Affecting the Town

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

Contacting the Town's Financial Management

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

Basic Financial Statements
Government-Wide Financial Statements

Town of Albany, Louisiana

Statement A

**Statement of Net Position
As of June 30, 2020**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 149,344	\$ 891,442	\$ 1,040,786
Receivables, Net:			
Intergovernmental	91,677	-	91,677
Accounts	38	214,989	215,027
Franchise Taxes	12,719	-	12,719
Grant Receivable	25,823	356,721	382,544
Prepaid Insurance	7,452	1,435	8,887
Internal Balances	28,917	(28,917)	-
Inventory	-	60,685	60,685
Total Current Assets	<u>315,970</u>	<u>1,496,355</u>	<u>1,812,325</u>
Restricted Assets:			
Restricted Cash and Cash Equivalents	<u>6,139</u>	<u>778,110</u>	<u>784,249</u>
Total Restricted Assets	<u>6,139</u>	<u>778,110</u>	<u>784,249</u>
Capital Assets:			
Land	43,850	130,429	174,279
Construction in Progress	-	135,459	135,459
Capital Assets, Net	<u>1,420,869</u>	<u>7,039,231</u>	<u>8,460,100</u>
Total Capital Assets	<u>1,464,719</u>	<u>7,305,119</u>	<u>8,769,838</u>
Total Assets	<u>1,786,828</u>	<u>9,579,584</u>	<u>11,366,412</u>
Liabilities			
Current Liabilities:			
Accounts Payable	13,131	39,115	52,246
Accrued Interest	-	10,735	10,735
Accrued Salaries	5,356	2,709	8,065
Accrued Vacation	10,240	7,603	17,843
Other Accrued Liabilities	3,237	3,384	6,621
Construction Payable	-	140,349	140,349
Retainage Payable	-	35,884	35,884
Customer Deposits	-	122,990	122,990
Bonds Payable	-	98,873	98,873
Capital Leases	-	11,098	11,098
Total Current Liabilities	<u>31,964</u>	<u>472,740</u>	<u>504,704</u>
Long Term Liabilities:			
Bonds Payable	<u>-</u>	<u>3,928,959</u>	<u>3,928,959</u>
Total Long Term Liabilities	<u>-</u>	<u>3,928,959</u>	<u>3,928,959</u>
Total Liabilities	<u>31,964</u>	<u>4,401,699</u>	<u>4,433,663</u>
Net Position			
Net Investment in Capital Assets	1,464,719	3,266,189	4,554,675
Restricted for:			
Capital Projects and Debt Service	6,139	644,385	650,524
Unrestricted	<u>284,006</u>	<u>1,267,311</u>	<u>1,727,550</u>
Total Net Position	<u>\$ 1,754,864</u>	<u>\$ 5,177,885</u>	<u>\$ 6,932,749</u>

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement B

**Statement of Activities
For the Year Ended June 30, 2020**

	<u>Program Revenues</u>				Net (Expenses) Revenues	<u>Net (Expenses) Revenues and Changes of Primary Government</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>		<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Governmental Activities								
General Government	\$ 338,523	\$ -	\$ -	\$ -	\$ (338,523)	\$ (338,523)	\$ -	\$ (338,523)
Public Safety	384,778	95,762	31,913	-	(257,103)	(257,103)	-	(257,103)
Public Works - Streets	128,981	-	-	19,207	(109,774)	(109,774)	-	(109,774)
Park	2,345	-	-	-	(2,345)	(2,345)	-	(2,345)
Court Cost	3,900	-	-	-	(3,900)	(3,900)	-	(3,900)
Total Governmental Activities	<u>\$ 858,527</u>	<u>\$ 95,762</u>	<u>\$ 31,913</u>	<u>\$ 19,207</u>	<u>\$ (711,645)</u>	<u>(711,645)</u>	<u>-</u>	<u>(711,645)</u>
Business-type Activities								
Water	\$ 743,735	\$ 1,371,558	\$ -	\$ -	\$ 627,823	-	627,823	627,823
Sewer	254,318	165,377	-	-	(88,941)	-	(88,941)	(88,941)
Total Business-type Activities	<u>\$ 998,053</u>	<u>\$ 1,536,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 538,882</u>	<u>-</u>	<u>538,882</u>	<u>538,882</u>
General Revenues:								
Taxes:								
Property Taxes						36,486	-	36,486
Sales Taxes						494,582	-	494,582
Franchise Taxes						54,527	-	54,527
Insurance Premium						48,043	-	48,043
Alcoholic Beverage Tax						4,637	-	4,637
Licenses and Permits						48,467	-	48,467
Intergovernmental - FEMA						27,441	385,663	413,104
Insurance Reimbursement						4,527	-	4,527
Interest Income						302	20,174	20,476
Miscellaneous						2,745	-	2,745
Transfers						-	-	-
Total General Revenues and Transfers						<u>721,757</u>	<u>405,837</u>	<u>1,127,594</u>
Change in Net Position						<u>10,112</u>	<u>944,719</u>	<u>954,831</u>
Net Position - Beginning						<u>1,744,752</u>	<u>4,233,166</u>	<u>5,977,918</u>
Net Position - Ending						<u>\$ 1,754,864</u>	<u>\$ 5,177,885</u>	<u>\$ 6,932,749</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

Town of Albany, Louisiana

Statement C

**Balance Sheet, Governmental Funds
As of June 30, 2020**

	General Fund	Total Governmental Funds
Assets		
Cash and Equivalents	\$ 149,344	\$ 149,344
Receivables, Net:		
Franchise Taxes	12,719	12,719
Sales Taxes	90,213	90,213
Other	1,502	1,502
Grant Receivable	25,823	25,823
Due From Other Funds	28,917	28,917
Prepaid Insurance	7,452	7,452
Restricted Cash	6,139	6,139
Total Assets	\$ 322,109	\$ 322,109
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable	\$ 13,131	\$ 13,131
Accrued Salaries	5,356	5,356
Accrued Vacation	10,240	10,240
Other Accrued Liabilities	3,237	3,237
Total Liabilities	31,964	31,964
 Deferred Inflows of Resources:		
Uncollected Grant Receivable	25,823	25,823
Total Deferred Inflows of Resources	25,823	25,823
 Fund Balance:		
Nonspendable, Prepaid Insurance	7,452	7,452
Restricted	6,139	6,139
Unassigned	250,731	250,731
Total Fund Balance	264,322	264,322
 Total Liabilities, Deferred Inflows of Resources and Fund Balance		
	\$ 322,109	\$ 322,109

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement D

**Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of June 30, 2020**

Fund Balances, Total Governmental Funds (Statement C)	\$	264,322
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Governmental capital assets net of depreciation	1,464,719
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Deferred inflows of resources - uncollected grant receivables are not reported on government-wide financial statements.	25,823
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Net Position of Governmental Activities (Statement A)	\$	<u><u>1,754,864</u></u>
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The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement E

**Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2020**

	General Fund	Total Governmental Funds
Revenues		
Taxes	\$ 633,638	\$ 633,638
Licenses and Permits	48,467	48,467
Intergovernmental	21,637	21,637
FEMA Reimbursements	152,192	152,192
Fines and Forfeitures	95,762	95,762
Grants	3,465	3,465
Insurance Reimbursement	4,527	4,527
Interest	302	302
Donations	11,448	11,448
Miscellaneous	2,745	2,745
Total Revenues	974,183	974,183
Expenditures		
General Government	309,339	309,339
Public Safety:		
Police	360,590	360,590
Fire	5,000	5,000
Mayor's Court	3,900	3,900
Public Works - Streets	97,951	97,951
Park Expenditures	953	953
Capital Outlays	76,457	76,457
Capital Lease Payments	2,195	2,195
Total Expenditures	856,385	856,385
Excess (Deficiency) of Revenues Over (Under) Expenditures	117,798	117,798
Other Financing Sources (Uses)		
Transfers In	-	-
Capital Grants	19,207	19,207
Total Other Financing Sources (Uses)	19,207	19,207
Net Change in Fund Balance	137,005	137,005
Fund Balance, Beginning	127,317	127,317
Fund Balance, Ending	\$ 264,322	\$ 264,322

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement F

**Reconciliation of the Statement Revenues, Expenditures,
and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2020**

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ 137,005

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

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

Capital Outlay	76,457
Depreciation Expense	(80,794)

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

Change in Uncollected Grant Receivable	(124,751)
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Repayment of capital lease principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,195
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Change in Net Position of Governmental Activities, Statement B \$ 10,112

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement G

**Statement of Net Position – Proprietary Funds
As of June 30, 2020**

	Business-Type Activities -		
	Enterprise Funds		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 836,499	\$ 54,943	\$ 891,442
Receivables, Net:			
Accounts	173,097	41,892	214,989
Grant Receivable	-	356,721	356,721
Prepaid Insurance	718	717	1,435
Inventory	60,685	-	60,685
Due from Sewer Fund	557,211	-	557,211
Total Current Assets	<u>1,628,210</u>	<u>454,273</u>	<u>2,082,483</u>
Restricted Assets:			
Restricted Cash and Cash Equivalents	697,544	80,566	778,110
Total Restricted Assets	<u>697,544</u>	<u>80,566</u>	<u>778,110</u>
Property, Plant, and Equipment			
Land	130,429	-	130,429
Construction in Progress	7,156	128,303	135,459
Property, Plant and Equipment, Net	5,045,341	1,993,890	7,039,231
Total Property, Plant, and Equipment	<u>5,182,926</u>	<u>2,122,193</u>	<u>7,305,119</u>
Total Assets	<u>7,508,680</u>	<u>2,657,032</u>	<u>10,165,712</u>
Liabilities			
Current Liabilities (Payable From Current Assets):			
Accounts Payable	36,435	2,680	39,115
Accrued Salary	1,778	931	2,709
Accrued Vacation	4,500	3,103	7,603
Other Accrued Payables	2,308	1,076	3,384
Construction Payable	-	140,349	140,349
Retainage Payable	8,534	27,350	35,884
Due To General Fund	17,035	11,882	28,917
Due To Water Fund	-	557,211	557,211
Capital Lease, Current Portion	11,098	-	11,098
Total Current Liabilities (Payable From Current Assets)	<u>81,688</u>	<u>744,582</u>	<u>826,270</u>
Current Liabilities (Payable From Restricted Assets):			
Customer Deposits	122,990	-	122,990
Accrued Interest	10,085	650	10,735
Revenue Bonds Payable	82,081	16,792	98,873
Total Current Liabilities (Payable From Restricted Assets)	<u>215,156</u>	<u>17,442</u>	<u>232,598</u>
Long Term Liabilities:			
Bonds Payable	3,648,673	280,286	3,928,959
Total Long Term Liabilities	<u>3,648,673</u>	<u>280,286</u>	<u>3,928,959</u>
Total Liabilities	<u>3,945,517</u>	<u>1,042,310</u>	<u>4,987,827</u>
Net Position			
Net Investment in Capital Assets	1,441,074	1,825,115	3,266,189
Restricted for:			
Capital Projects and Debt Service	564,469	79,916	644,385
Unrestricted	1,557,620	(290,309)	1,267,311
Total Net Position	<u>\$ 3,563,163</u>	<u>\$ 1,614,722</u>	<u>\$ 5,177,885</u>

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement H

**Statement of Revenues, Expenses and
Change of Net Position – Proprietary Funds
For the Year Ended June 30, 2020**

	Business-Type Activities-		
	Enterprise Funds		
	Water	Sewer	Total
Operating Revenues			
Water Sales	\$ 1,238,451	\$ -	\$ 1,238,451
Sewer Service Charges	-	160,127	160,127
Other	133,107	-	133,107
Total Operating Revenues	<u>1,371,558</u>	<u>160,127</u>	<u>1,531,685</u>
Operating Expenses			
Salaries and Wages	105,331	55,181	160,512
Contract Service	13,141	-	13,141
Depreciation	229,513	117,580	347,093
DHH Fees	25,541	-	25,541
Insurance	10,838	2,182	13,020
Payroll Taxes	7,907	4,124	12,031
Postage	10,196	-	10,196
Professional Fees	35,493	4,186	39,679
Repairs and Maintenance	29,184	13,632	42,816
Retirement	2,527	-	2,527
Supplies	75,275	1,134	76,409
Training	2,732	-	2,732
Uniforms	5,122	-	5,122
Utilities	9,930	34,668	44,598
Vehicle Expenses	13,184	-	13,184
Workers Compensation	5,189	3,169	8,358
Other	1,341	40	1,381
Total Operating Expenses	<u>582,444</u>	<u>235,896</u>	<u>818,340</u>
Operating Income (Loss)	<u>789,114</u>	<u>(75,769)</u>	<u>713,345</u>
Nonoperating Revenues (Expenses)			
Interest Income	19,712	462	20,174
Bond Interest Expense	(160,118)	(18,422)	(178,540)
Capital Lease Interest Expense	(1,173)	-	(1,173)
Billing Fees	-	5,250	5,250
Total Nonoperating Revenues (Expenses)	<u>(141,579)</u>	<u>(12,710)</u>	<u>(154,289)</u>
Income (Loss) Before Capital Contributions	647,535	(88,479)	559,056
Capital Contributions			
Capital Grants	28,942	356,721	385,663
Change in Net Position	<u>676,477</u>	<u>268,242</u>	<u>944,719</u>
Net Position, Beginning	<u>2,886,686</u>	<u>1,346,480</u>	<u>4,233,166</u>
Total Net Position, Ending	<u>\$ 3,563,163</u>	<u>\$ 1,614,722</u>	<u>\$ 5,177,885</u>

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement I

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020**

	Business-Type Activities- Enterprise Funds		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cash Flows From Operating Activities			
Received From Customers	\$ 1,231,738	\$ 143,651	\$ 1,375,389
Received for Meter Deposit Fees	4,220	-	4,220
Other Receipts	133,107	-	133,107
(Payments for) Received from Interfund Services	(548,970)	564,667	15,697
Payments for Operations	(260,926)	(57,449)	(318,375)
Payments to Employees	(113,673)	(58,056)	(171,729)
Net Cash Provided (Used) by Operating Activities	<u>445,496</u>	<u>592,813</u>	<u>1,038,309</u>
Cash Flows From Noncapital Financing Activities			
Billing Fees	-	5,250	5,250
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>5,250</u>	<u>5,250</u>
Cash Flows From Capital and Related Financing Activities			
Capital Grants Received	28,942	-	28,942
(Payments for) Capital Acquisitions	(182,261)	(549,840)	(732,101)
Principal Proceeds from (Repayments for) Long Term Debt	(88,815)	(13,564)	(102,379)
Interest Payments for Long Term Debt	(161,832)	(18,422)	(180,254)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(403,966)</u>	<u>(581,826)</u>	<u>(985,792)</u>
Cash Flows From Investing Activities			
Receipt of Interest	19,712	462	20,174
Increase in Investments	(8,461)	(576)	(9,037)
Redemption of Certificates of Deposit	888,461	60,576	949,037
Net Cash Provided (Used) by Investing Activities	<u>899,712</u>	<u>60,462</u>	<u>960,174</u>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	941,242	76,699	1,017,941
Cash and Cash Equivalents, Beginning of Year	592,801	58,810	651,611
Cash and Cash Equivalents, End of Year	<u>\$ 1,534,043</u>	<u>\$ 135,509</u>	<u>\$ 1,669,552</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net			
Cash and Cash Equivalents, Unrestricted	\$ 836,499	\$ 54,943	\$ 891,442
Cash and Cash Equivalents, Restricted	697,544	80,566	778,110
Total Cash and Cash Equivalents	<u>\$ 1,534,043</u>	<u>\$ 135,509</u>	<u>\$ 1,669,552</u>

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement I

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020**

	Business-Type Activities-		
	Enterprise Funds		
	Water	Sewer	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided			
Operating Income (Loss)	\$ 789,114	\$ (75,769)	\$ 713,345
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	229,513	117,580	347,093
(Increase) decrease in Accounts Receivable	(6,716)	(16,476)	(23,192)
(Increase) decrease in Prepaid Insurance	(42)	(42)	(84)
(Increase) decrease in Inventory	(40,685)	-	(40,685)
(Increase) decrease in Due (to) and from Other Funds	(548,970)	564,667	15,697
Increase (decrease) in Accounts Payable	17,098	1,604	18,702
Increase (decrease) in Accrued Expenses	1,964	1,249	3,213
Increase (decrease) in Customer Deposits	4,220	-	4,220
Net Cash Provided by Operating Activities	\$ 445,496	\$ 592,813	\$ 1,038,309

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2020

Introduction

The Town of Albany, Louisiana (formerly the Village of Albany) was incorporated October 7, 1953, under provision of the Lawrason Act (LSA-RS33:321). The Town operates under a Mayor /Board of Aldermen form of government. The Mayor and each of five councilmen are elected at large for four-year terms. The Mayor and Council are compensated each month; in addition, the Mayor receives a salary. The Town is located approximately 30 miles east of Baton Rouge, Louisiana, on LA Highway 43 (Montpelier Avenue) south of Interstate 12, with U.S. Highway 190 intersecting the northern part of the Town. The Town's total population was 1,088, as reported by the U.S. Census Bureau, Census 2010. The Town provides police protection, services to maintain and develop streets, drainage, and sanitation, general and administrative services, and utilities services for areas residents. The Town provides services to 2,304 water customers and 515 sewer customers inside and outside of the Town limits. The Town employs fourteen full-time and one part-time employees in addition to the Mayor and Council.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, as amended, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Town is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, as amended, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. There are no component units of the Town of Albany.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

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

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

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2020

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote J – Net Position and Fund Balance*. As required by the Governmental Accounting Standards Board (GASB), the Town implemented GASB Statement No. 63 during the year ending June 30, 2013. The Town recorded deferred inflows of resources of \$25,823 in the general fund at June 30, 2020.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2020

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

The Town reports the following major governmental funds:

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

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

The Town reports the following major proprietary fund:

The *Enterprise Funds* account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user charges for the services provided by the enterprise funds. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2020

C. Deposits and Investments

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

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

D. Receivables and Payables

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

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

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

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

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

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

E. Inventories and Prepaid Items

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

F. Restricted Assets

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

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2020

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

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

H. Compensated Absences

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

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

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

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

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

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

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2020

I. Long-Term Debt Offerings

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65.

The Town has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, are revised. This standard was intended to complement GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65. The Town did not have any bond related costs in the year ending June 30, 2020.

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

J. Net Position and Fund Balance

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

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

Town of Albany, Louisiana
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As of and for the Year Ended June 30, 2020

- **Unrestricted Component of Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

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

K. Extraordinary and Special Items

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

L. Estimates

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

M. Reconciliations of Government-Wide and Fund Financial Statements

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

2. Stewardship, Compliance and Accountability

The Town uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.

Town of Albany, Louisiana
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As of and for the Year Ended June 30, 2020

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

For the year ended June 30, 2020, actual revenues and other sources exceeded budgeted revenues and other sources. The Town's actual expenditures exceeded budgeted expenditures and other uses by \$3,556 but actual expenditures were within five percent of budgeted expenditures and other uses.

3. Cash and Cash Equivalents

At June 30, 2020, the Town has cash and cash equivalents (book balances) as follows:

	June 30, 2020
Cash on Hand	\$ 25
Non-Interest Bearing Demand Deposits	221,566
Interest Bearing Demand Deposits	320,454
Louisiana Asset Management Pool (LAMP)	1,282,990
	\$ 1,825,035

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At June 30, 2020, the Town has \$1,825,035 in deposits. Collected bank balances, other than LAMP, consisted of \$591,209 in demand and time deposits. The demand and time deposits are secured by \$471,566 of federal deposit insurance. The remaining \$119,643 of deposits are exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Town of Albany, Louisiana
Notes to the Financial Statements
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Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

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

4. Investments

Investments are categorized into these three categories of credit risk:

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

In accordance with GASB Codification Section I50.165, the investment in LAMP at June 30, 2020, is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investment in LAMP is stated at the value of the pool shares, which is the same as the fair value, and has been categorized as cash equivalents. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprised of the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

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

While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

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

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

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

Town of Albany, Louisiana
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2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement per paragraph 15 of the GASB 40 statement. However, LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments, as provided by LAMP, is 47 days as of June 30, 2020.
5. Foreign currency risk: Not applicable to 2a7-like pools.

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

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

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

5. Receivables

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

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

Town of Albany, Louisiana
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The Governmental Fund receivables at June 30, 2020 consist of the following:

Government Receivables	<u>General Fund</u>	<u>Total</u>
Taxes:		
Public Utility Franchise	\$ 12,719	\$ 12,719
Sales and Use	90,213	90,213
Intergovernmental:		
State of Louisiana, Beer Tax	1,464	1,464
Grant Receivable	25,823	25,823
Other Receivable	38	38
Total Government Receivables	<u><u>\$ 130,257</u></u>	<u><u>\$ 130,257</u></u>

The Enterprise Fund accounts receivable at June 30, 2020 consist of the following:

	<u>Year Ended June 30, 2020</u>
Accounts Receivable	
Current	\$ 133,818
31 - 60 Days	(3,483)
61 - 90 Days	4,443
Over 90 Days	<u>40,205</u>
Subtotal	174,983
Less Allowance for Bad Debt	<u>(20,000)</u>
Accounts Receivables, Net	154,983
Accrued Billings	<u>60,006</u>
Total Accounts Receivable	<u><u>\$ 214,989</u></u>

The Town's Enterprise Fund also has a grant receivable of \$356,721 due from FEMA for the construction of the new sewer pond that was damaged during the flood of 2016.

6. Interfund Receivables/Payables

Interfund receivables or payables in the fund financial statements were as follows as of June 30, 2020.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 28,917	\$ -
Enterprise Fund	<u>-</u>	<u>28,917</u>
	<u><u>\$ 28,917</u></u>	<u><u>\$ 28,917</u></u>

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

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2020

7. Restricted Assets

Restricted assets for the Enterprise Fund at June 30, 2020 were as follows:

	June 30
	2020
Restricted Cash and Cash Equivalents	
Customer Deposits	\$ 123,996
Bond Reserve Account -Original Non-Parity & Lien Bonds	32,387
Bond Reserve Accounts - Series 2010 Parity Bonds	170,469
Bond Contingency Account - Original Non-Parity & Lien Bonds	48,179
Bond Contingency Account - Series 2010 Parity Bonds	134,424
Bond Redemption Account	13,795
Bond Short-Lived Asset Account	254,860
Total Restricted Assets	\$ 778,110

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

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

8. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2020 for governmental activities is as follows:

	Beginning		Increases		Decreases		Ending
Governmental Activities Capital Assets:	Balance		Increases		Decreases		Balance
Capital Assets Not Being Depreciated:							
Land	\$ 43,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,850
Construction in Progress	1,022,150	35,445	(1,057,595)	-	-	-	-
Total Capital Assets Not Being Depreciated	1,066,000	35,445	(1,057,595)	-	-	-	43,850
Capital Assets Being Depreciated:							
Buildings	24,157	1,063,933	-	-	-	-	1,088,090
Improvements	3,868	-	-	-	-	-	3,868
Vehicles and Equipment	431,938	34,674	-	-	-	-	466,612
Infrastructure - Sidewalks	322,153	-	-	-	-	-	322,153
Total Capital Assets Being Depreciated	782,116	1,098,607	-	-	-	-	1,880,723
Less Accumulated Depreciation for:							
Buildings	(101)	(23,512)	-	-	-	-	(23,613)
Improvements	(3,481)	-	-	-	-	-	(3,481)
Vehicles and Equipment	(162,130)	(41,174)	-	-	-	-	(203,304)
Infrastructure - Sidewalks	(213,348)	(16,108)	-	-	-	-	(229,456)
Total Accumulated Depreciation	(379,060)	(80,794)	-	-	-	-	(459,854)
Total Capital Assets Being Depreciated, Net	403,056	1,017,813	-	-	-	-	1,420,869
Total Governmental Activities Capital Assets, Net	\$ 1,469,056	\$ 1,053,258	\$ (1,057,595)	\$ -	\$ -	\$ -	\$ 1,464,719

Depreciation was charged to governmental functions as follows:

General Government	\$ 29,184
Park	1,391
Public Safety	19,189
Public Works	31,030
	\$ 80,794

Town of Albany, Louisiana
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As of and for the Year Ended June 30, 2020

Capital assets and depreciation activity as of and for the year ended June 30, 2020 for business-type activities is as follows:

Business - Type Activities Capital Assets:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 130,429	\$ -	\$ -	\$ 130,429
Construction in Progress	36,078	717,539	(618,158)	135,459
Total Capital Assets Not Being Depreciated	<u>166,507</u>	<u>717,539</u>	<u>(618,158)</u>	<u>265,888</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	83,712	-	-	83,712
Vehicles and Equipment	316,159	-	-	316,159
Water Utility System	7,330,786	190,795	-	7,521,581
Sewer Utility System	3,822,365	618,158	-	4,440,523
Total Capital Assets Being Depreciated	<u>11,553,022</u>	<u>808,953</u>	<u>-</u>	<u>12,361,975</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(51,420)	(2,601)	-	(54,021)
Vehicles and Equipment	(203,822)	(30,863)	-	(234,685)
Water Utility System	(2,355,952)	(212,781)	-	(2,568,733)
Sewer Utility System	(2,364,457)	(100,848)	-	(2,465,305)
Total Accumulated Depreciation	<u>(4,975,651)</u>	<u>(347,093)</u>	<u>-</u>	<u>(5,322,744)</u>
Total Capital Assets Being Depreciated, Net	<u>6,577,371</u>	<u>461,860</u>	<u>-</u>	<u>7,039,231</u>
Total Business - Type Activities Capital Assets, Net	\$ <u>6,743,878</u>	\$ <u>1,179,399</u>	\$ <u>(618,158)</u>	\$ <u>7,305,119</u>

The Town has completed its construction on the sewer pond as of June 2020. Final payment was made in September 2020. The Town has \$7,156 of construction in progress in the maintenance building damaged during the flood of 2016. The remaining amount of construction in progress of \$128,303 are engineering and attorney fees to construct a lift station and sewer pipeline. Expected completion is unknown at this time.

9. Accounts, Salaries, and Other Payables

Short term payables at June 30, 2020 are as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Accounts	\$ 13,131	\$ 39,115	\$ 52,246
Accrued Interest	-	10,735	10,735
Accrued Payroll Taxes	3,237	-	3,237
Other Accrued Payables	-	3,384	3,384
Accrued Vacation	10,240	7,603	17,843
Accrued Salaries	5,356	2,709	8,065
Construction Payable	-	140,349	140,349
Retainage Payable	-	35,884	35,884
Total	\$ <u>31,964</u>	\$ <u>239,779</u>	\$ <u>271,743</u>

Town of Albany, Louisiana
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10. Operating Leases

The Town has entered into an operating lease rental agreement for police radars in April 2020. The lease is for 36 months of \$277 paid monthly. The total amount of the lease paid for the fiscal year June 30, 2020 is \$277. The expected payments on the lease are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 3,324
2022	3,324
2023	3,047
	<u>\$ 9,695</u>

11. Capital Leases

The Town paid off its capital lease in May 2020 covering Police Radars acquired during the fiscal year ending June 30, 2018, totaling \$7,180 for 0% interest for 36 months.

The Town entered in to a capital lease purchase agreement on August 21, 2018 with Ford Motor Credit Company for a 2018 Ford F-150 for \$31,188. The lease is for 36 months with a 6.65% interest rate. The total related accumulated depreciation for the truck was \$11,636 at June 30, 2020.

Total expected payments on the lease are as follows:

<u>Year Ending June 30,</u>	<u>Capital Lease Business -Type Activities</u>		
	<u>Ford Truck</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 11,098	\$ 465	\$ 11,563
	<u>\$ 11,098</u>	<u>\$ 465</u>	<u>\$ 11,563</u>

12. Long-Term Obligations

The following is a summary of long-term obligation transactions for the year ended June 30, 2020:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Long-Term Obligations</u>
	<u>Capital Leases</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>	<u>Revenue Bonds</u>	
Beginning Balance	\$ 2,195	\$ -	\$ 21,488	\$ 4,119,821	\$ 4,143,504
Additions	-	-	-	-	-
Deletions	2,195	-	10,390	91,989	104,574
Ending Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,098</u>	<u>\$ 4,027,832</u>	<u>\$ 4,038,930</u>

Interest incurred and recorded as an expense in the Statement of Activities was \$179,713 for the Business-Type Activities.

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2020

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Long-Term Obligations</u>
	<u>Capital Leases</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>	<u>Revenue Bonds</u>	
Current Portion	\$ -	\$ -	\$ 11,098	\$ 98,873	\$ 109,971
Long-Term Portion	-	-	-	3,928,959	3,928,959
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,098</u>	<u>\$ 4,027,832</u>	<u>\$ 4,038,930</u>

Bonds Payable as of June 30, 2020 are as follows:

	<u>Bonds Payable End of Year</u>	<u>Due Within One Year</u>
Business Type Fund: \$ 575,000		
Water Revenue Bonds - RUS Bonds 91-02 sold to Rural Utility Service (RUS) Dated 2/25/1988 due in annual installments of principal and interest of \$ 37,277 over a 40 year period with interest at 5.75%	\$ 230,756	\$ 24,008
Business Type Fund: \$ 455,000		
Sewer Revenue Bonds - RUS Bonds 92-03 sold to Rural Utility Service (RUS) Dated 4/13/1993 due in monthly installments of principal and interest of \$ 2,289 through April 13, 2033 with interest at 5.25%	254,979	14,426
Business Type Fund: \$ 75,000		
Sewer Revenue Bonds - RUS Bonds 92-05 sold to Rural Utility Service (RUS) Dated 4/13/1993 due in monthly installments of principal and interest of \$ 377 through April 13, 2033 with interest at 5.25%	42,099	2,366
Business Type Fund: \$ 191,000		
Water Revenue Bonds - RUS Bonds 91-07 sold to Rural Utility Service (RUS) Dated 10/17/2006 due in monthly installments of principal and interest of \$ 844 through October 17, 2046 with interest at 4.375%	157,889	3,286
Business Type Fund: \$ 3,706,000		
Water Revenue Bonds - RUS Bonds Series 2010 sold to Rural Utility Services (RUS) Dated 7/20/2011 due in monthly installments of principal and interest of \$ 15,973 through July 17, 2051 with interest at 4.125%	3,342,109	54,787
	<u>\$ 4,027,832</u>	<u>\$ 98,873</u>

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2020

The annual requirements to amortize all bonded debt outstanding at June 30, 2020, including interest payments of \$2,847,203 are as follows:

Year Ending June 30	Rural Utility Services					Total
	Water Bonds 91-02	Sewer Bonds 92-03	Sewer Bonds 92-05	Water Bonds 06-01	Water Bonds Series 2010	
2021	\$ 37,277	\$ 27,468	\$ 4,527	\$ 10,131	\$ 191,676	\$ 271,079
2022	37,277	27,468	4,527	10,131	191,676	271,079
2023	37,277	27,468	4,527	10,131	191,676	271,079
2024	37,277	27,468	4,527	10,131	191,676	271,079
2025	37,277	27,468	4,527	10,131	191,676	271,079
2026 to 2030	107,086	137,340	22,635	50,653	958,380	1,276,094
2031 to 2035	-	75,660	12,818	50,653	958,380	1,097,511
2036 to 2040	-	-	-	50,653	958,380	1,009,033
2041 to 2045	-	-	-	50,653	958,380	1,009,033
2046 to 2050	-	-	-	2,407	958,380	960,787
2051 to 2052	-	-	-	-	167,182	167,182
	<u>\$ 293,471</u>	<u>\$ 350,340</u>	<u>\$ 58,088</u>	<u>\$ 255,674</u>	<u>\$ 5,917,462</u>	<u>\$ 6,875,035</u>

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

Long-term debt as of June 30, 2020 consists of five utility bonds as described in the Long-Term Debt Obligations footnote. The terms and details of each revenue bond issue are described below.

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

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

A resolution authorizing the issuance of \$191,000 of Water Revenue Parity Bonds of the Town of Albany, Louisiana, State of Louisiana, for the construction and completion of water improvements was adopted February 13, 2006. The bonds were sold to Rural Utility Service (RUS) at \$191,000 and are due in monthly installments of \$844 for forty years with interest at a rate of 4.375 percent per annum. The Town may repay the whole or any part

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2020

of the principal amount at any time. Under the terms of the bond proceeds to the Town, the revenue bonds are secured in regards to payment of principal and interest by the revenues derived from the operation of the water utility system of the Town after provision has been made for payment of the reasonable and necessary expenses of administering, operating, and maintaining the system.

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

Principal payments of \$13,564 and interest payments of \$18,422 were made on the sewer bonds. The gross sewer utility revenue recognized during the current year was \$160,127. Principal payments of \$78,425 and interest payments of \$160,118 were made on the water bonds. The gross water utility revenue recognized during the current year was \$1,371,558.

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

Each month there will be set aside into a fund called "Bond and Interest Sinking (Redemption) Fund" a sum equal to one-twelfth of the interest due on the next interest payment due, and, in addition, a sum equal to one-twelfth of the principal payment due, together with such proportionate sum as may be required as the same respectfully become due on such date. Money in the Sinking Funds shall be deposited as Trust Funds and shall be fully sufficient to assure the prompt payment of the principal and interest installments as they become due, and may be used only for such payments. At fiscal year-end, one bond (Bond 91-02 at an original issue of \$575,000) requires monthly sinking fund installments, with the remaining bond sinking fund payments drafted monthly from the accounts of the Town of Albany. As of June 30, 2020, the Sinking Fund account balance was \$13,795, and was fully funded.

Provisions for the "Utility System Bond Reserve Fund" (the Reserve Fund) require deposit of a sum equal to five percent of the monthly bond payment, with the maximum funding requirement equal to the highest succeeding annual debt service requirement. With the funding of the Water Revenue Parity Bonds, Series 2010, the deposit requirements were split between non-parity and bonds issued in parity. As of June 30, 2020, non-parity debt issues consist of the following:

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

The Reserve Fund for non-parity issues at June 30, 2020 totaled \$32,387, and was fully-funded, exceeding the highest succeeding annual installment for the non-parity debt issues of \$31,995. Within the bond listing above, Bond 91-01 (1977 Bonds) is referred to as "Outstanding Prior Lien Bonds" in the Series 2010 bond documents. However, only the parity bonds listed below have separate combined bond payment requirements:

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

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2020

Since the parity bonds have combined payment requirements for the Series 2010 Reserve Fund, the balance remaining in the original Reserve Fund, after fully funding the non-parity bond issues listed above, was transferred to a separate Series 2010 Reserve Fund. The actual balance for the Series 2010 Reserve Fund at June 30, 2020, of \$65,489, equaled the required balance. The monthly payment requirement for the Series 2010 Reserve Fund increased to \$996 per month effective July 2012. As of June 30, 2020, the Series 2010 Reserve Fund for parity bonds maintained a balance of \$170,469, below the highest annual debt service of \$239,084 in succeeding years.

For the non-parity bond issues listed above, the original bond covenants required that that a total of \$454 per month (\$180 per month for Bond 91-01, and 5% of the monthly bond payment for bonds 92-03 at \$127 per month, and 92-05 at \$147 per month) will also be set into a "Depreciation and Contingency Fund" after completion of the projects financed with bond funds. Bond 91-01 required a continual monthly payment of \$180, whereas Bonds 92-03 and 92-05 required monthly payments of 5% of the monthly bond installment until the accumulated amounts in the fund equal to the maximum succeeding annual installment. Monthly bond installments at June 30, 2020, for Bonds 92-03 and 92-05 exceeded the maximum succeeding annual installments of \$31,995. The Series 2010 Bonds (Bond 92-08) require that proceeds for the non-parity and parity bond issues be placed into a separate Series 2010 Bond Depreciation and Contingency Fund. For the bonds issued in parity with the Series 2010 Bonds (as listed above), bond covenants require, by the 20th of each month, deposit of a sum equal to five percent of the monthly bond payment, and when the balance of the Series 2010 Bond Depreciation and Contingency reaches an amount equal to Bond Reserve Requirement, the 5% monthly installment is to be placed in the Series 2010 Reserve Fund. Beginning August 2011, the 5% monthly installment for the Series 2010 Reserve Fund totaled \$835 per month, increasing to \$996 on August 20, 2012. The money in this fund will be used for making extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition, enhance its revenue-producing capacity, or provide for a higher degree of service for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for the other bond funds. During the fiscal year ending June 30, 2020, the Series 2010 Depreciation and Contingency Fund payments were made and the account was fully funded with a balance of \$134,424.

The Series 2010 Bond Covenants also require that monthly deposits be made into a "Short Lived Asset Fund" after completion of the project at the rate of \$2,917 per month for parity bonds over the life of the bonds. During the fiscal year ending June 30, 2020, the Short-Lived Asset Fund was fully funded with a balance of \$254,860.

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

14. Pension Plans

The Town of Albany participates in a Simple IRA Retirement Plan administered by Edward Jones. The plan covers employees who are reasonably expected to earn five thousand dollars in compensation for the calendar year. The Town will contribute a matching contribution of three percent for each employee's annual income. Retirement expense for the year ended June 30, 2020 was \$7,535.

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

At June 30, 2020, the proprietary fund had restricted net position of \$644,385, representing the Town's funds restricted by revenue bond debt covenants and contracts with customers for meter deposits, net of the related liability.

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2020

16. Risk Management

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

17. Contingent Liabilities

At June 30, 2020, the Town was not involved in any outstanding litigation or claims requiring adjustment or disclosure.

18. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2020, the State of Louisiana made on behalf payments in the form of supplemental pay to the Town's policemen. In accordance with GASB 24, the Town recorded \$17,000 of on-behalf payments as revenue and as an expenditure in the General Fund.

19. Subsequent Events

Subsequent events have been evaluated by management through December 10, 2020, the date the financial statements were available for issuance. The following events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2020.

On September 14, 2020, the Town of Albany adopted the resolution authorizing the Town to proceed with the issuance of not to exceed \$4,500,000 of Water and Sewer Refunding Bonds to provide debt service savings. These bonds were sold for \$4,165,000 on November 24, 2020.

Required Supplemental Information (Part II)

Town of Albany, Louisiana

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
General Fund
For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable</u>
Revenues				
Taxes:				
Sales and Use Taxes	\$ 475,200	\$ 480,000	\$ 494,582	\$ 14,582
Ad Valorem Tax	35,400	35,400	36,486	1,086
Public Utility Franchise Taxes	40,500	50,700	54,527	3,827
Taxes on Insurance Premiums	50,000	50,000	48,043	(1,957)
Licenses, Permits and Fees:				
Business Licenses	43,900	47,400	48,467	1,067
Intergovernmental:				
FEMA Reimbursements	90,000	152,200	152,192	(8)
Louisiana Beer Tax Distribution	3,600	3,600	4,637	1,037
Police Revenue:				
Fines and Forfeitures	66,000	87,900	95,762	7,862
State Supplemental Pay	24,000	15,500	17,000	1,500
Donations	-	11,400	11,448	48
State Grants				
Law Enforcement Grants	4,000	3,465	3,465	-
Other Revenues				
Park Donations	2,500	-	-	-
Insurance Reimbursement	-	-	4,527	4,527
Interest	400	300	302	2
Miscellaneous	5,000	-	2,745	2,745
Total Revenues	<u>840,500</u>	<u>937,865</u>	<u>974,183</u>	<u>36,318</u>

(Continued)

See auditor's report.

Town of Albany, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
 General Fund
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance
	Original	Final		Favorable (Unfavorable)
Expenditures				
General Government				
Advertising & Printing	\$ 1,300	\$ 700	\$ 500	\$ 200
Assessor	500	529	529	-
Beautification	24,000	31,300	33,334	(2,034)
Building & Ground Maintenance	2,000	6,900	14,406	(7,506)
Capital Outlays, Building	102,500	52,000	51,509	491
Conferences	5,000	1,100	816	284
Contract Labor	1,100	-	-	-
Coroner's Fees	400	3,300	2,530	770
Dues, Subscriptions, Meetings	2,000	2,100	2,082	18
Election Expense	1,500	1,500	712	788
Insurance	16,000	11,600	13,234	(1,634)
Internet	1,300	1,400	1,450	(50)
Janitorial Salary & Supplies	4,400	6,000	6,000	-
Kitchen Supplies	3,300	1,700	1,955	(255)
Legal	3,000	3,000	-	3,000
Miscellaneous Expense	2,500	1,900	1,538	362
Office Expenditures	10,000	15,700	16,152	(452)
Official Journal	2,400	2,900	2,416	484
Payroll Tax Expense	11,500	15,500	14,674	826
Permit Fees	2,500	-	-	-
Professional Services	43,700	36,400	31,989	4,411
Retirement	-	300	813	(513)
Salaries, Clerical	83,500	83,300	86,309	(3,009)
Salaries, Mayor & Alderman	63,500	63,500	63,500	-
Telephone	1,800	1,400	1,417	(17)
Training	400	4,300	3,163	1,137
Unemployment	300	1,300	1,279	21
Uniforms	300	900	926	(26)
Utilities	-	6,400	7,241	(841)
Worker's Compensation	400	400	374	26
Total General Government	391,100	357,329	360,848	(3,519)

(Continued)

See auditor's report.

Town of Albany, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
 General Fund
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)
	Original	Final		
Public Safety				
Auto Fuel	\$ 20,000	\$ 23,800	\$ 21,817	\$ 1,983
Auto Repairs	18,000	13,300	13,865	(565)
Capital Outlays	12,500	21,400	20,948	452
Conferences	300	-	-	-
Insurance	18,500	21,400	28,222	(6,822)
Other Police Expense	2,000	1,100	855	245
Payroll Taxes	19,000	17,500	17,613	(113)
Post Officer Training	5,850	2,000	350	1,650
Retirement	4,350	3,300	3,231	69
Salaries, Police Department	225,725	208,700	211,796	(3,096)
Salaries, Overtime	5,000	5,300	5,558	(258)
Salaries, Supplemental Pay	24,000	14,000	17,000	(3,000)
Salaries, Grant Overtime	5,000	2,500	-	2,500
Supplies	7,000	2,800	4,188	(1,388)
Telephone & Utilities	2,400	8,000	7,882	118
Training	3,000	200	260	(60)
Uniforms	2,000	6,200	5,842	358
Law Enforcement	5,700	8,500	7,579	921
Lease Payments	2,400	2,400	2,195	205
Witness Fees	600	200	150	50
Workers Compensation	13,750	14,400	14,382	18
Total Police Department	<u>397,075</u>	<u>377,000</u>	<u>383,733</u>	<u>(6,733)</u>
Mayor's Court				
Court Magistrate	3,600	2,700	2,700	-
Salary, Court Clerk	1,200	1,100	1,200	(100)
Total Mayor's Court	<u>4,800</u>	<u>3,800</u>	<u>3,900</u>	<u>(100)</u>
Streets, Drainage, & Sanitation				
Animal Control	100	100	-	100
Capital Outlays	2,900	2,900	-	2,900
Dump Truck, Streets	800	800	-	800
Equipment Repairs	2,500	2,400	1,043	1,357
Insurance	5,350	5,500	12,253	(6,753)
Materials & Supplies	3,100	1,600	1,086	514
Other Expenses, Streets	3,000	600	100	500
Payroll Taxes	4,800	3,900	4,115	(215)
Retirement	1,000	900	964	(64)
Salaries	62,500	51,300	54,869	(3,569)
Sanitation, Collection Expenses	3,600	300	517	(217)
Street & Drainage Improvements	10,000	10,000	1,526	8,474
Street Lights	17,000	21,200	21,478	(278)
Workers Compensation	2,750	2,500	-	2,500
Total Streets and Parks	<u>119,400</u>	<u>104,000</u>	<u>97,951</u>	<u>6,049</u>

(Continued)

See auditor's report.

Town of Albany, Louisiana

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
General Fund
For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Other				
Fire Protection	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
J&N Park Capital Outlay	-	-	4,000	(4,000)
J&N Park Other Expenses	12,000	5,700	953	4,747
Total Other	<u>17,000</u>	<u>10,700</u>	<u>9,953</u>	<u>747</u>
Total Expenditures	<u>929,375</u>	<u>852,829</u>	<u>856,385</u>	<u>(3,556)</u>
Excess Revenues (Expenditures)	(88,875)	85,036	117,798	32,762
Other Financing Sources (Uses)				
Transfers In	88,000	-	-	-
CDBG - DR Funds	-	19,207	19,207	-
Total Other Financing Sources (Uses)	<u>88,000</u>	<u>19,207</u>	<u>19,207</u>	<u>-</u>
Net Change in Fund Balance	<u>(875)</u>	<u>104,243</u>	<u>137,005</u>	<u>32,762</u>
Fund Balance, Beginning	<u>132,225</u>	<u>127,317</u>	<u>127,317</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 131,350</u>	<u>\$ 231,560</u>	<u>\$ 264,322</u>	<u>\$ 32,762</u>

(Concluded)

See auditor's report.

Other Supplemental Information

Town of Albany, Louisiana

Schedule 2

**Combining Schedule of Revenues, Expenses and Changes in Net Position
Proprietary Fund Type, Utility Departments
For the Year Ended June 30, 2020**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues			
Water Sales	\$ 1,238,451	\$ -	\$ 1,238,451
Sewer Service Charges	-	160,127	160,127
Other	133,107	-	133,107
Total Operating Revenues	<u>1,371,558</u>	<u>160,127</u>	<u>1,531,685</u>
Operating Expenses			
Salaries and Wages	105,331	55,181	160,512
Contract Service	13,141	-	13,141
Depreciation	229,513	117,580	347,093
DHH Fees	25,541	-	25,541
Insurance	10,838	2,182	13,020
Payroll Taxes	7,907	4,124	12,031
Postage	10,196	-	10,196
Professional Fees	35,493	4,186	39,679
Repairs and Maintenance	29,184	13,632	42,816
Retirement	2,527	-	2,527
Supplies	75,275	1,134	76,409
Training	2,732	-	2,732
Uniforms	5,122	-	5,122
Utilities	9,930	34,668	44,598
Vehicle Expenses	13,184	-	13,184
Workers Compensation	5,189	3,169	8,358
Other	1,341	40	1,381
Total Operating Expenses	<u>582,444</u>	<u>235,896</u>	<u>818,340</u>
Operating Income (Loss)	<u>789,114</u>	<u>(75,769)</u>	<u>713,345</u>
Nonoperating Revenues (Expenses)			
Capital Grants	28,942	356,721	385,663
Interest Income	19,712	462	20,174
Bond Interest Expense	(160,118)	(18,422)	(178,540)
Capital Lease Interest Expense	(1,173)	-	(1,173)
Billing Fees	-	5,250	5,250
Total Nonoperating Revenues (Expenses)	<u>(112,637)</u>	<u>344,011</u>	<u>231,374</u>
Change in Net Position	<u>676,477</u>	<u>268,242</u>	<u>944,719</u>
Total Net Position, Beginning			<u>4,233,166</u>
Total Net Position, Ending			<u>\$ 5,177,885</u>

See auditor's report.

Town of Albany, Louisiana

Schedule 3

Schedule of Revenues, Expenses, and Changes in Net Position
 Budget (GAAP Basis) and Actual, Proprietary Fund Type, Water Utility System
 For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues			
Water Sales	\$ 1,232,400	\$ 1,238,451	\$ 6,051
Other	153,300	133,107	(20,193)
Total Operating Revenues	<u>1,385,700</u>	<u>1,371,558</u>	<u>(14,142)</u>
Operating Expenses			
Salaries and Wages	98,200	105,331	(7,131)
Bad Debt	800	-	800
Contract Service	15,400	13,141	2,259
Depreciation	246,800	229,513	17,287
DHH Fees	25,400	25,541	(141)
Insurance	8,900	10,838	(1,938)
Payroll Taxes	7,500	7,907	(407)
Postage	10,200	10,196	4
Professional Fees	40,100	35,493	4,607
Repairs and Maintenance	31,800	29,184	2,616
Retirement	2,400	2,527	(127)
Supplies	75,100	75,275	(175)
Training	3,600	2,732	868
Uniforms	5,600	5,122	478
Utilities	9,900	9,930	(30)
Vehicle Expenses	13,400	13,184	216
Workers Compensation	5,100	5,189	(89)
Other	1,000	1,341	(341)
Total Operating Expenses	<u>601,200</u>	<u>582,444</u>	<u>18,756</u>
Operating Income (Loss)	<u>784,500</u>	<u>789,114</u>	<u>4,614</u>
Nonoperating Revenues (Expenses)			
Capital Grants	-	28,942	28,942
Interest Income	22,300	19,712	(2,588)
Bond Interest Expense	(159,200)	(160,118)	(918)
Capital Lease Interest Expense	-	(1,173)	(1,173)
Total Nonoperating Revenues (Expenses)	<u>(136,900)</u>	<u>(112,637)</u>	<u>24,263</u>
Change in Net Position	<u>\$ 647,600</u>	<u>\$ 676,477</u>	<u>\$ 28,877</u>

See auditor's report.

Town of Albany, Louisiana

Schedule 4

Schedule of Revenues, Expenses, and Changes in Net Position
 Budget (GAAP Basis) and Actual, Proprietary Fund Type, Sewer Utility System
 For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues			
Sewer Charges	\$ 159,600	\$ 160,127	\$ 527
Total Operating Revenues	<u>159,600</u>	<u>160,127</u>	<u>527</u>
Operating Expenses			
Salaries and Wages	51,600	55,181	(3,581)
Bad Debt	800	-	800
Depreciation	132,600	117,580	15,020
Insurance	7,100	2,182	4,918
Payroll Taxes	4,000	4,124	(124)
Professional Fees	4,900	4,186	714
Repairs and Maintenance	22,200	13,632	8,568
Supplies	1,400	1,134	266
Utilities	35,000	34,668	332
Workers Compensation	2,700	3,169	(469)
Other	400	40	360
Total Operating Expenses	<u>262,700</u>	<u>235,896</u>	<u>26,804</u>
Operating Income (Loss)	<u>(103,100)</u>	<u>(75,769)</u>	<u>27,331</u>
Nonoperating Revenues (Expenses)			
Capital Grants	-	356,721	356,721
Interest Income	400	462	62
Billing Fees	4,800	5,250	450
Bond Interest Expense	<u>(16,100)</u>	<u>(18,422)</u>	<u>(2,322)</u>
Total Nonoperating Revenues (Expenses)	<u>(10,900)</u>	<u>344,011</u>	<u>354,911</u>
Change in Net Position	<u>\$ (114,000)</u>	<u>\$ 268,242</u>	<u>\$ 382,242</u>

See auditor's report.

Town of Albany, Louisiana

Schedule 5

Schedule of Water and Sewer Rates – Proprietary Fund Type
For the Year Ended June 30, 2020

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

See auditor's report.

Town of Albany, Louisiana

Schedule 6

Schedule of Number of Customers – Proprietary Fund Type
For the Year Ended June 30, 2020

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Water	2,204	100	2,304
Sewer	462	53	515
Total	<u>2,666</u>	<u>153</u>	<u>2,819</u>

See auditor's report.

Town of Albany, Louisiana

Schedule 7

Schedule of Insurance
For the Year Ended June 30, 2020

Insurance Company / Policy Number	Coverage	Amount	Period	
			1/15/2020 to	1/15/2021
Risk Management, Inc. 1004-2019-17015	Commercial General Liability			
	Premises Operations	\$ 500,000	Per Occurrence	
	Products- Completed Operations Aggregate Limit	500,000		
	Fire Legal Liability	50,000	Per Occurrence	
	Medical Expense Limit (any one person)	Excluded		
	<i>Per Person</i>	1,000		
	<i>Per Accident</i>	10,000		
	Law Enforcement Liability:			
	Personal Injury and Property Damage	500,000		
	Deductible	1,000		
	Errors and Omissions			
	Errors and Omissions	500,000		
	Deductible	1,000		
	Business Auto:			
	Bodily Injury and Property Damage	500,000		
EMC Insurance Company Policy #5A9-87-05---21	Commercial Property:			
	Business Personal Property	3,613,848		
	Electronic Data Processing Equipment	50,000		
	Electronic Data Processing Data & Media	50,000		
	Business Income and Extra Expense	100,000		
	Additional Coverages			
	Debris Removal-additional amount at each described premises	5,000		
	Employee Tools	5,000		
	Pollution Cleanup and Removal-	25,000		
	Rental Reimbursement Limit	5,000		
	Spare Parts and Fuel	5,000		
	Contractor's Equipment - Leased or Rented	25,000		
	Commercial Inland Marine Coverage			
	Items Listed in Policy	282,075		
	Government Crime Coverage			
	Employee Theft-Per Loss Coverage	50,000		
	Forgery or Alteration	25,000		
	Inside the Premises-Theft of Money and Securities	20,000		
	Outside the Premises	10,000		
Selective Insurance FLD 2545022	Flood Insurance - Town Hall			
	Building Coverage	500,000	6/13/2020 to	6/13/2021
	Contents Coverage	100,000		
FLD 2559781	Flood Insurance - Maintenance Building			
	Building Coverage	100,000	6/12/2020 to	6/12/2021
	Contents Coverage	100,000		
Risk Management, Inc. WC-153	Workers' Compensation	Statutory Limits	1/1/2020 to	1/1/2021
CNA Surety Bond 01507681	Fidelity Bond	5,000	10/15/2019 to	10/15/2020
CNA Surety Bond 18143978	Fidelity Bond	200,000	2/13/2020 to	2/13/2021
CAN Surety Bond 01628690	Fidelity Bond	7,220	4/15/2020 to	4/15/2021

See auditor's report.

Town of Albany, Louisiana

Schedule 8

**Schedule of Compensation Paid to Board Members
For the Year Ended June 30, 2020**

<u>Name</u>	<u>Address/Phone Number</u>	<u>Compensation Received</u>
Eileen Bates McCarroll, Mayor	Post Office Box 1 Albany, LA 70711 225-939-7967	\$ 33,500
Kim Stewart, Councilwoman	Post Office Box 1346 Albany, LA 70711 (985) 320-0801	6,000
Ronnie Gregoire, Councilman	Post Office Box 243 Albany, LA 70711 (985) 507-3176	6,000
Jerry Glascock, Councilman	Post Office Box 1183 Albany, LA 70711 (985) 969-4945	6,000
Lloyd Martin, Councilman	Post Office Box 146 Albany, LA 70711 (225) 567-2093	6,000
Gerald Stilley, Councilman	Post Office Box 363 Albany, LA 70711 (225) 567-9723	6,000
		<u>\$ 63,500</u>

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No 54 of the 1979 Session of the Louisiana Legislature. All terms expire 12/31/22.

See auditor's report.

Town of Albany, Louisiana

Schedule 9

Schedule of Compensation, Benefits, and Other Payments to Agency
For the Year Ended June 30, 2020

Agency Head Name: Eileen Bates McCarroll, Mayor

Purpose	Amount
Salary	\$ 32,000
Car Allowance	1,500
Retirement	335
Reimbursements	196
Total	\$ 34,031

See auditor's report.

Other Independent Auditor's Reports and Findings and Recommendations

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

Megan E. Lynch, CPA
B. Jacob Steib, CPA
Brody E. Howes, CPA
Christie J. Barado
Connor J. Collura
Sharon B. Bravata
Krystal L. Waddell
Debbie G. Faust, EA



**JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.**
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American Institute of CPAs
Society of Louisiana CPAs

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Albany as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Albany's basic financial statements, and have issued our report thereon dated December 10, 2020.

Internal Control over Financial Reporting

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

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

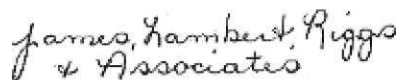
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Albany's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

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

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

December 10, 2020

Town of Albany, Louisiana

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

We have audited the basic financial statements of the Town of Albany, Louisiana as of and for the year ended June 30, 2020, and have issued our report thereon dated December 10, 2020. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the Uniform Guidance.

Section I – Summary of Auditor’s Reports

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

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

2. Management Letter

Was a management letter issued?	___	Yes	<u>X</u>	No
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Section II – Financial Statement Findings

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Town of Albany, Louisiana

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2020**

Internal Control over Financial Reporting

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

Condition:

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

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

Prior Year Recommendation:

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

Resolution:

Prior year finding resolved in the current year.

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

Condition:

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

Prior Year Recommendation:

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

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

Resolution:

Prior year finding resolved in the current year.

Compliance and Other Matters

None