

**TOWN OF GLENMORA, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2017**

***ROZIER, HARRINGTON & MCKAY***  
***Certified Public Accountants***  
***Alexandria, Louisiana***

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# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE • ALEXANDRIA, LOUISIANA 71301

**JOHN S. ROZIER, IV, CPA, APALLC**  
**MARK S. MCKAY, CPA**  
**LEE W. WILLIS, CPA**  
**RHONDA L. RACHAL, CPA**  
**STEVEN E. KIMBALL, CPA**

---

**RICHARD BESSON, CPA**  
**STEVEN MCKAY, CPA**

**MAILING ADDRESS**  
POST OFFICE BOX 12178  
ALEXANDRIA, LOUISIANA 71315-2178  
TELEPHONE (318) 442-1608

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**M. DALE HARRINGTON, CPA**  
**RETIRED - 2005**

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December 30, 2017

### Independent Auditors' Report

To the Honorable Mayor and Board of Aldermen  
Town of Glenmora, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Glenmora, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 qualified audit opinion.

**-Members-**

**American Institute of Certified Public Accountants • Society of Louisiana, CPAs**

**Basis for Qualified Opinion**

As discussed more fully in Note 15, the origins of transactions related to the economic development fund are unknown due to a lack of documentation. Due to the lack of information involving this fund any misstatement in this fund cannot be practically determined.

As discussed more fully in Note 16, documentation was not available to support a portion of the transactions reported as fines and forfeitures. Consequently, we were unable to obtain sufficient audit evidence about fines and forfeitures.

**Qualified Opinion**

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Glenmora, as of June 30, 2017, and the respective changes in financial position, and where applicable cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the information listed below to supplement the basic financial statements.

- Management's Discussion and Analysis
- Budgetary Comparison Information
- Schedule of Net Pension Liability Data
- Schedule of Employer Contributions

Such information, although not a part of the basic financial statements, is required by the Government 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 Supplemental Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Glenmora's basic financial statements. The other supplemental information listed below is presented for purposes of additional analysis and are not a required part of the basic financial statements.

***Town of Glenmora***  
***December 30, 2017***

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- Schedule of Compensation Paid to Board Members
- Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer

The other supplementary information is the responsibility of management and is derived from and relates 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2017, on our consideration of the Town of Glenmora's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Glenmora's internal control over financial reporting and compliance.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

# ROZIER, HARRINGTON & MCKAY

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1407 PETERMAN DRIVE • ALEXANDRIA, LOUISIANA 71301

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**MAILING ADDRESS**  
POST OFFICE BOX 12178  
ALEXANDRIA, LOUISIANA 71315-2178  
TELEPHONE (318) 442-1608

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**M. DALE HARRINGTON, CPA**  
**RETIRED - 2005**

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December 30, 2017

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

To the Honorable Mayor and Board of Aldermen  
Town of Glenmora, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Glenmora, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 30, 2017.

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control (**Findings 2017-1, 2017-5, and 2017-6**) described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses.

**-Members-**

**American Institute of Certified Public Accountants • Society of Louisiana, CPAs**

**COMPLIANCE AND OTHER MATTERS**

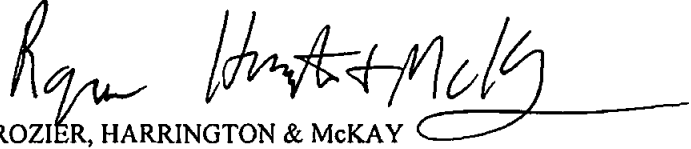
As part of obtaining reasonable assurance about whether the Town of Glenmora's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2017-2, 2017-3, 2017-4, and 2017-7.

**TOWN OF GLENMORA'S RESPONSE TO FINDINGS**

The Town of Glenmora's response to the findings identified in our audit is described in the accompanying Management's Corrective Action Plan. The Town of Glenmora's response is not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**PURPOSE OF THIS REPORT**

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

  
ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

# **Town of Glenmora**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2017**

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This section of the Town of Glenmora's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended June 30, 2017.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

#### **Government –Wide Financial Statements**

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Town's assets (including infrastructure acquired after July 1, 1980) and all of the Town's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including public safety, recreation, sanitation, public works and general administration are reported as governmental activities. The governmental activities are financed by taxes, license and permit fees, fines and forfeitures, and intergovernmental sources.
- **Business-Type Activities** – Expenses associated with providing utility services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with these services are reported as business type activities.

#### **Fund Financial Statements**

Fund financial statements provide detailed information regarding the Town's most significant activities and are not intended to provide information for the Town as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Town has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Town's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Town's utility services. Proprietary fund financial statements typically provide a more detail presentation of the information reported in the business-type activities portion of the government-wide financial statements.



# **Town of Glenmora**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2017**

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### **FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

A comparative analysis of government-wide financial data is presented as follows:

#### **Net Position**

A condensed version of the government-wide Statement of Net Position is presented as follows:

	<u>For the Year Ended June 30, 2017</u>			<u>For the</u>
	<u>Govern-</u>	<u>Business-</u>	<u>Total</u>	<u>Year Ended</u>
	<u>mental</u>	<u>Type</u>		<u>June 30,</u>
	<u>Activities</u>	<u>Activities</u>		<u>2016</u>
<b><u>Assets:</u></b>				
Current and Other Assets	\$ 460,147	\$ 400,641	\$ 860,788	\$ 977,756
Internal Balances	17,323	(17,323)	----	----
Capital Assets	1,470,863	3,645,520	5,116,383	5,239,490
Total Assets	<u>1,948,333</u>	<u>4,028,838</u>	<u>5,977,171</u>	<u>6,217,246</u>
<b>Deferred Outflows</b>	<u>45,211</u>	<u>49,176</u>	<u>94,387</u>	<u>50,764</u>
<b><u>Liabilities:</u></b>				
Current and Other Liabilities	97,799	151,696	249,495	239,347
Long-term Liabilities	72,988	2,293,546	2,366,534	2,407,683
Total Liabilities	<u>170,787</u>	<u>2,445,242</u>	<u>2,616,029</u>	<u>2,647,030</u>
<b>Deferred Inflows</b>	<u>4,288</u>	<u>4,665</u>	<u>8,953</u>	<u>16,214</u>
<b><u>Net Position:</u></b>				
Invested in Capital Assets (Net)	1,467,204	1,449,158	2,916,362	2,941,017
Restricted	158,070	144,742	302,812	212,882
Unrestricted	193,195	34,207	227,402	450,867
Total Net Position	<u>\$ 1,818,469</u>	<u>\$ 1,628,107</u>	<u>\$ 3,446,576</u>	<u>\$ 3,604,766</u>

As the presentation appearing above demonstrates, the largest portion of the Town's net position are invested in capital assets. Net position invested in capital assets consist of land, buildings, equipment, and infrastructure less any debt used to acquire the assets that remain outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

An additional portion of the net position (8.7%) represent resources that are subject to restrictions that are imposed by agreements with the Town's bondholders or requirements imposed by various revenue sources.

The remaining resources are unrestricted and may be used at the Town's discretion.

# **Town of Glenmora**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2017**

### **Changes in Net Position**

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

	For the Year Ended June 30, 2017			For the Year Ended June 30, 2016
	Govern- mental Activities	Business- Type Activities	Total	
<b><u>Revenues:</u></b>				
<b>Program Revenue:</b>				
Charges for Services	\$ 427,008	\$ 670,337	\$ 1,097,345	\$ 1,186,415
Operating Grants and Contributions	93,732	----	93,732	103,070
Capital Grants and Contributions	----	----	----	----
<b>General Revenue:</b>				
Property Taxes	18,716	----	18,716	17,059
Sales Taxes	443,605	----	443,605	430,297
Franchise Taxes	58,259	----	58,259	58,387
Licenses and Permits	43,079	----	43,079	41,172
Rental Income	69,180	----	69,180	57,390
Other	24,988	253	25,241	16,896
<b>Total Revenue</b>	<b>1,178,567</b>	<b>670,590</b>	<b>1,849,157</b>	<b>1,910,686</b>
<b><u>Program Expenses:</u></b>				
General Government	322,123	----	322,123	258,193
<b>Public Safety</b>				
Police Department	327,428	----	327,428	285,426
Fire Department	120,339	----	120,339	105,125
<b>Public Works</b>				
Streets & Public Facilities	294,259	----	294,259	241,662
Sanitation	105,880	----	105,880	104,138
Culture and Recreation	6,463	----	6,463	16,894
<b>Utility Service</b>				
Sewer System	----	392,872	392,872	334,612
Water System	----	312,275	312,275	383,156
Natural Gas System	----	149,076	149,076	147,999
<b>Total Expenses</b>	<b>1,176,492</b>	<b>854,223</b>	<b>2,030,715</b>	<b>1,877,205</b>
<b>Increase in Net Position Before</b>				
Transfers	2,075	(183,633)	(181,558)	33,481
Transfers	(45,254)	45,254	----	----
<b>Change in Net Position</b>	<b>(43,179)</b>	<b>(138,379)</b>	<b>(181,558)</b>	<b>33,481</b>
<b>Net Position Beginning</b>	<b>1,861,648</b>	<b>1,766,486</b>	<b>3,628,134</b>	<b>3,594,653</b>
<b>Net Position Ending</b>	<b>\$ 1,818,469</b>	<b>\$ 1,628,107</b>	<b>\$ 3,446,576</b>	<b>\$ 3,628,134</b>

Governmental activities increased the Town's net position by \$2,075 before transfers. The slight increase is attributable to prudent use of the Town's resources.

# **Town of Glenmora**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2017**

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Business-type activities, excluding transfers, decreased the Town's net position by \$183,633. The decrease is attributable to an inadequate rate structure that does not provide sufficient income to sustain the Town's utility system and significant costs for consultants and necessary repairs to the sewer system.

### **FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

An analysis of significant matters affecting the Town's funds is presented as follows:

- The Town's governmental funds reported combined fund balances of \$379,671, which represents a decrease of \$96,196. A portion of the general fund has an unassigned fund balance of \$221,601.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

### **GENERAL FUND BUDGET HIGHLIGHTS**

The general fund original budget was adopted as required. The budget was amended to appropriately reflect current year revenues and expenditures.

### **CAPITAL ASSET ADMINISTRATION**

Highlights of the Town's capital asset administration are provided as follows:

- Land was purchased to be used as a walking trail.
- A house was purchased to be used as a senior citizens center. There have been significant improvements to the structure in order to make it suitable for such needs.
- Computers were purchased for the police cars.
- New equipment was purchased for the sewer fund.

### **DEBT ADMINISTRATION**

No new debt was issued during the current year. Debt activity was limited to making scheduled payments due under existing debt instruments.

### **FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS**

Factors expected to have a significant impact on future operations are not anticipated at the present time.

# **Town of Glenmora**

## **STATEMENT OF NET POSITION**

**June 30, 2017**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 329,297	\$ 187,407	\$ 516,704
Receivables (net)	121,871	68,492	190,363
Restricted cash	-	144,742	144,742
Other Assets	8,979	-	8,979
Internal balances	17,323	(17,323)	-
Capital assets			
Non depreciable capital assets	214,281	-	214,281
Depreciable capital assets, net	1,256,582	3,645,520	4,902,102
<b>Total assets</b>	<b>1,948,333</b>	<b>4,028,838</b>	<b>5,977,171</b>
<b><u>DEFERRED OUTFLOWS</u></b>			
Pension funding deferrals	45,211	49,176	94,387
<b><u>LIABILITIES</u></b>			
Accounts and other payables	89,023	14,597	103,620
Other liabilities	8,776	9,107	17,883
Deposits due others	-	127,992	127,992
Long-term liabilities			
Long-Term Debt			
Due within one year	3,659	91,537	95,196
Due in more than one year	-	2,104,825	2,104,825
Aggregate net pension liability	69,329	97,184	166,513
<b>Total liabilities</b>	<b>170,787</b>	<b>2,445,242</b>	<b>2,616,029</b>
<b><u>DEFERRED INFLOWS</u></b>			
Pension funding deferrals	4,288	4,665	8,953
<b><u>NET POSITION</u></b>			
Invested in capital assets, net of related debt	1,467,204	1,449,158	2,916,362
Restricted For:			
Debt service	-	144,742	144,742
Economic Development	24,525	-	24,525
Fire Department	133,545	-	133,545
Unrestricted	193,195	34,207	227,402
<b>Total net position (deficit)</b>	<b>\$ 1,818,469</b>	<b>\$ 1,628,107</b>	<b>\$ 3,446,576</b>

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

# **Town of Glenmora**

## **STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2017**

	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
<b><u>Governmental Activities:</u></b>					
General Government	\$ 322,123	\$ -	\$ -	\$ -	\$ (322,123)
Public Safety					
Police Department	327,428	351,276	9,451	-	33,299
Fire Department	120,339	-	10,629	-	(109,710)
Public Works					
Streets and Public Facilities	294,259	-	73,652	-	(220,607)
Sanitation	105,880	75,732	-	-	(30,148)
Culture and Recreation	6,463	-	-	-	(6,463)
Total Governmental Activities	<u>1,176,492</u>	<u>427,008</u>	<u>93,732</u>	<u>-</u>	<u>(655,752)</u>
<b><u>Business-Type Activities:</u></b>					
Sewer System	392,872	249,761	-	-	(143,111)
Water System	312,275	309,120	-	-	(3,155)
Natural Gas System	149,076	111,456	-	-	(37,620)
Total Business-Type Activities	<u>854,223</u>	<u>670,337</u>	<u>-</u>	<u>-</u>	<u>(183,886)</u>
Total	<u>\$ 2,030,715</u>	<u>\$ 1,097,345</u>	<u>\$ 93,732</u>	<u>\$ -</u>	<u>\$ (839,638)</u>

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

# **Town of Glenmora**

## **STATEMENT OF ACTIVITIES (Continued)**

**Year Ended June 30, 2017**

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	Governmental Activities	Business- Type Activities	Total
Net (Expense) Revenue (Continued From Previous Page)	\$ (655,752)	\$ (183,886)	\$ (839,638)
<b>General Revenues:</b>			
Taxes:			
Ad Valorem	18,716	-	18,716
Sales	443,605	-	443,605
Franchise	58,259	-	58,259
Licenses & Permits	43,079	-	43,079
Rental Income	69,180	-	69,180
Other	24,988	253	25,241
Transfers	(45,254)	45,254	-
<b>Total General Revenues, Special Items and Transfers</b>	<b>612,573</b>	<b>45,507</b>	<b>658,080</b>
 Change in Net Position	 (43,179)	 (138,379)	 (181,558)
Net Position Beginning			
As originally reported	1,861,648	1,743,118	3,604,766
Cumulative Effect of Prior Period Adjustment	-	23,368	23,368
As restated	1,861,648	1,766,486	3,628,134
 Net Position Ending	 <u>\$ 1,818,469</u>	 <u>\$ 1,628,107</u>	 <u>\$ 3,446,576</u>

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

# **Town of Glenmora**

## **Balance Sheet**

**Governmental Funds - June 30, 2017**

	<u>General Fund</u>	<u>Economic Development</u>	<u>Non Major</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 189,173	\$ 52,563	\$ 87,561	\$ 329,297
Receivables (net)	100,519	-	21,352	121,871
Interfund Receivables	-	22,318	24,632	46,950
Other Assets	-	8,979	-	8,979
<b>Total assets</b>	<u>\$ 289,692</u>	<u>\$ 83,860</u>	<u>\$ 133,545</u>	<u>\$ 507,097</u>
<b>Liabilities and Fund Balance</b>				
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 29,688	\$ 59,335	\$ -	89,023
Other Liabilities	8,776	-	-	8,776
Interfund Payables	29,627	-	-	29,627
<b>Total liabilities</b>	<u>68,091</u>	<u>59,335</u>	<u>-</u>	<u>127,426</u>
<b><u>Fund Balance</u></b>				
Restricted for				
Economic Development	-	24,525	-	24,525
Fire Department	-	-	133,545	133,545
Unassigned	221,601	-	-	221,601
<b>Total Fund Balances</b>	<u>221,601</u>	<u>24,525</u>	<u>133,545</u>	<u>379,671</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 289,692</u>	<u>\$ 83,860</u>	<u>\$ 133,545</u>	<u>\$ 507,097</u>

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

# **Town of Glenmora**

## **Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position**

**Year Ended June 30, 2017**

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Total Fund Balances - Governmental Funds	\$ 379,671
Amounts reported for governmental activities in the statement of net position are different because:	
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(72,988)
Deferred Inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	(4,288)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,470,863
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	<u>45,211</u>
Net Position of Governmental Activities	<u>\$ 1,818,469</u>

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



# **Town of Glenmora**

## **Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2017**

	General Fund	Economic Development	Non Major	Total Governmental Funds
<b><u>Revenues:</u></b>				
Taxes:				
Ad Valorem	\$ 18,716	\$ -	\$ -	\$ 18,716
Sales	389,920	-	53,685	443,605
Franchise	58,259	-	-	58,259
Licenses & Permits	43,079	-	-	43,079
Charges for Services	75,732	-	-	75,732
Intergovernmental				
Rapides Parish Police Jury	119,854	-	-	119,854
Other	11,512	-	10,629	22,141
Fines and Forfeitures	351,276	-	-	351,276
Rental Income	69,180	-	-	69,180
Other	22,927	-	-	22,927
<b>Total Revenues</b>	<b>1,160,455</b>	<b>-</b>	<b>64,314</b>	<b>1,224,769</b>
<b><u>Expenditures:</u></b>				
Current:				
General Government	294,024	-	-	294,024
Public Safety				
Police Department	312,491	-	-	312,491
Fire Department	101,293	-	-	101,293
Public Works				
Streets and Public Facilities	294,259	-	-	294,259
Sanitation	105,880	-	-	105,880
Culture and Recreation	6,082	-	-	6,082
Economic Development	-	-	-	-
Capital Expenditures	150,564	-	-	150,564
Debt Service	11,118	-	-	11,118
<b>Total Expenditures</b>	<b>1,275,711</b>	<b>-</b>	<b>-</b>	<b>1,275,711</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>(115,256)</b>	<b>-</b>	<b>64,314</b>	<b>(50,942)</b>
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers Out	(45,254)	-	-	(45,254)
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(160,510)</b>	<b>-</b>	<b>64,314</b>	<b>(96,196)</b>
<b>Fund Balance (Deficit) - Beginning of Year</b>	<b>382,111</b>	<b>24,525</b>	<b>69,231</b>	<b>475,867</b>
<b>Fund Balance (Deficit) - End of Year</b>	<b>\$ 221,601</b>	<b>\$ 24,525</b>	<b>\$ 133,545</b>	<b>\$ 379,671</b>

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

# **Town of Glenmora**

## **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities**

**Year Ended June 30, 2017**

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Net change in fund balances of Governmental Funds		\$	(96,196)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays in the current period exceeded depreciation.			
	Capital Assets	150,564	
	Depreciation	<u>(105,779)</u>	44,785
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			10,539
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds			<u>(2,307)</u>
Change in net position of governmental activities		\$	<u>(43,179)</u>

**The accompanying notes are an integral part of the financial statements.**

# **Town of Glenmora**

## **Statement of Net Position Proprietary Funds - June 30, 2017**

	<b>Sewer System</b>	<b>Water System</b>	<b>Natural Gas System</b>	<b>Total Utility System</b>
<b><u>ASSETS:</u></b>				
Current Assets:				
Cash and cash equivalents	\$ 38,023	\$ 144,228	\$ 5,156	\$ 187,407
Receivables (net)	1,239	67,253	-	68,492
Total current assets	39,262	211,481	5,156	255,899
Restricted Assets:				
Cash and cash equivalents	-	106,806	37,936	144,742
Noncurrent Assets:				
Depreciable capital assets, net	2,015,928	1,173,168	456,424	3,645,520
Total assets	2,055,190	1,491,455	499,516	4,046,161
<b><u>DEFERRED OUTFLOWS:</u></b>				
Employer contributions to pension plan	-	32,375	16,801	49,176
<b><u>LIABILITIES:</u></b>				
Current Liabilities:				
Accounts and other payables	13,370	-	1,227	14,597
Other liabilities	2,878	5,066	1,163	9,107
Interfund payables	-	17,323	-	17,323
Deposits due others	-	127,992	-	127,992
Current portion of long-term debt	23,180	29,244	39,113	91,537
Total current liabilities	39,428	179,625	41,503	260,556
Noncurrent Liabilities:				
Long-term debt	911,830	1,148,183	44,812	2,104,825
Aggregate net pension liability	-	60,069	37,115	97,184
Total liabilities	951,258	1,387,877	123,430	2,462,565
<b><u>DEFERRED INFLOWS:</u></b>				
Pension funding deferrals	-	3,071	1,594	4,665
<b><u>NET POSITION:</u></b>				
Invested in capital assets, net of related debt	1,080,918	(4,259)	372,499	1,449,158
Restricted for debt service	-	106,806	37,936	144,742
Unrestricted	23,014	30,335	(19,142)	34,207
Total net position (deficit)	\$ 1,103,932	\$ 132,882	\$ 391,293	\$ 1,628,107

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

# **Town of Glenmora**

## **Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds - June 30, 2017**

	<u>Sewer System</u>	<u>Water System</u>	<u>Natural Gas System</u>	<u>Total Utility System</u>
<b><u>Operating Revenues:</u></b>				
Service Fees	\$ 246,619	\$ 292,770	\$ 110,207	\$ 649,596
Other	<u>3,142</u>	<u>16,350</u>	<u>1,249</u>	<u>20,741</u>
<b>Total Operating Revenues</b>	<u>249,761</u>	<u>309,120</u>	<u>111,456</u>	<u>670,337</u>
<b><u>Operating Expenses:</u></b>				
Purchases (Natural Gas)	-	-	23,628	23,628
Salaries and Benefits	-	100,775	54,400	155,175
Legal and Professional	4,927	4,927	4,927	14,781
Repairs & Maintenance	72,914	48,220	19,073	140,207
Supplies & Chemicals	18,711	7,404	1,256	27,371
Utilities	30,708	16,556	585	47,849
Insurance	593	6,823	1,190	8,606
Consultants	119,037	13,992	-	133,029
Depreciation	85,538	52,416	32,331	170,285
Other	<u>20,942</u>	<u>11,416</u>	<u>6,650</u>	<u>39,008</u>
<b>Total Operating Expenses</b>	<u>353,370</u>	<u>262,529</u>	<u>144,040</u>	<u>759,939</u>
<b>Operating Income (Loss)</b>	(103,609)	46,591	(32,584)	(89,602)
<b><u>Nonoperating Revenues (Expenses):</u></b>				
Interest Revenue	67	150	36	253
Grants	-	-	-	-
Interest Expense	<u>(39,502)</u>	<u>(49,746)</u>	<u>(5,036)</u>	<u>(94,284)</u>
<b>Change in Net Position Before Contributions and Transfers</b>	<u>(143,044)</u>	<u>(3,005)</u>	<u>(37,584)</u>	<u>(183,633)</u>
<b>Contributions and Transfers</b>				
Operating transfers in (out)	<u>55,057</u>	<u>(20,022)</u>	<u>10,219</u>	<u>45,254</u>
<b>Change in net position</b>	(87,987)	(23,027)	(27,365)	(138,379)
<b>Total net position - beginning</b>				
As originally reported	1,191,919	132,541	418,658	1,743,118
Cumulative Effect of Prior Period Adjustment	<u>-</u>	<u>23,368</u>	<u>-</u>	<u>23,368</u>
As restated	<u>1,191,919</u>	<u>155,909</u>	<u>418,658</u>	<u>1,766,486</u>
<b>Total net position - ending</b>	<u>\$ 1,103,932</u>	<u>\$ 132,882</u>	<u>\$ 391,293</u>	<u>\$ 1,628,107</u>

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

# **Town of Glenmora**

## **Statement of Cash Flows**

### **Proprietary Funds - Year Ended June 30, 2017**

	<u>Sewer System</u>	<u>Water System</u>	<u>Natural Gas System</u>	<u>Total Utility System</u>
<b><u>Cash flow from operating activities:</u></b>				
Cash received from customers	\$ 249,670	\$ 319,339	\$ 111,456	\$ 680,465
Cash payments to suppliers of goods and services	(270,978)	(142,973)	(75,011)	(488,962)
Cash payments to employees for services	-	(66,230)	(34,408)	(100,638)
Net cash provided (used) by operating activities	<u>(21,308)</u>	<u>110,136</u>	<u>2,037</u>	<u>90,865</u>
<b><u>Cash flows from non-capital financing activities:</u></b>				
Change in interfund balances	-	-	-	-
Transfers in (out)	<u>55,057</u>	<u>(20,022)</u>	<u>10,219</u>	<u>45,254</u>
Net cash provided (used) by non-capital financing activities	<u>55,057</u>	<u>(20,022)</u>	<u>10,219</u>	<u>45,254</u>
<b><u>Cash flows from capital and related financing activities:</u></b>				
Capital expenditures	(2,393)	-	-	(2,393)
Grant proceeds received	-	23,368	-	23,368
Principle paid on revenue bonds	(22,262)	(28,086)	(37,564)	(87,912)
Interest paid on debt instruments	<u>(39,502)</u>	<u>(49,746)</u>	<u>(5,036)</u>	<u>(94,284)</u>
Net cash provided (used) by capital and related financing activities	<u>(64,157)</u>	<u>(54,464)</u>	<u>(42,600)</u>	<u>(161,221)</u>
<b><u>Cash flows from investing activities:</u></b>				
Interest and other income	<u>67</u>	<u>150</u>	<u>36</u>	<u>253</u>
Net cash provided (used) by investing activities	<u>67</u>	<u>150</u>	<u>36</u>	<u>253</u>
Net increase (decrease) in cash	(30,341)	35,800	(30,308)	(24,849)
Beginning cash balance	<u>68,364</u>	<u>215,234</u>	<u>73,400</u>	<u>356,998</u>
Ending cash balance	38,023	251,034	43,092	332,149
Restricted cash and cash equivalents	-	106,806	37,936	144,742
Cash and cash equivalents	<u>\$ 38,023</u>	<u>\$ 144,228</u>	<u>\$ 5,156</u>	<u>\$ 187,407</u>

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

# **Town of Glenmora**

## **Statement of Cash Flows (Continued)**

### **Proprietary Funds - Year Ended June 30, 2017**

	<u>Sewer System</u>	<u>Water System</u>	<u>Natural Gas System</u>	<u>Total Utility System</u>
<b><u>Reconciliation of operating income (loss)</u></b>				
<b><u>to net cash provided (used) by operating</u></b>				
<b><u>activities</u></b>				
Operating income (loss)	\$ (103,609)	\$ 46,591	\$ (32,584)	\$ (89,602)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	85,538	52,416	32,331	170,285
(Increase) decrease in accounts receivable	(91)	(15)	-	(106)
(Decrease) increase in accounts and other payables	(3,146)	(911)	-	(4,057)
(Decrease) increase in meter deposits	-	10,234	-	10,234
(Decrease) increase in net pension liability	-	1,821	2,290	4,111
Net cash provided (used) by operating activities	<u>\$ (21,308)</u>	<u>\$ 110,136</u>	<u>\$ 2,037</u>	<u>\$ 90,865</u>

#### **Supplemental disclosures of cash flow information:**

During the year ended June 30, 2017, there were no operating, financing, or investing activities that did not result in cash receipts or payments.

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

# **Town of Glenmora**

## **Notes To Financial Statements**

**June 30, 2017**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Glenmora (the Town) was incorporated under the provisions of the Lawrason Act. The Town is governed by a Mayor and a Board of Alderman consisting of five (5) members. Services provided by the Town include police protection, fire protection, street maintenance, recreation and sanitation. The Town also operates a natural gas distribution system, a water distribution system and a sewer system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

#### **Financial Reporting Entity**

As the municipal governing authority, for reporting purposes, the Town is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Town), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards establish criteria for determining which component units should be considered part of the Town of Glenmora for financial reporting purposes. Based on these criteria the Town has no potential component units. The criteria considered are listed as follows:

1. Appointing a voting majority of an organization's governing body, and
  - a) The ability of the Town to impose its will on that organization and/or
  - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

#### **Basic Financial Statements**

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

# **Town of Glenmora**

## **Notes To Financial Statements**

**June 30, 2017**

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### **Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the Town as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

### **Fund Financial Statements**

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and business-type (enterprise) funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Town's major funds are described as follows:

#### **Major Governmental Funds**

**General Fund** – The general fund is the primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Economic Development** – A special revenue fund to account for activity associated with revolving loan operated by the Town of Glenmora.

#### **Major Business-Type Funds**

**Utility System** – Used to account for activities associated with providing water, sewer service, and natural gas to the citizens of Glenmora and customers residing in the surrounding area.

Business-Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for natural gas, water and sewer service.

### **Basis Of Accounting and Measurement Focus**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<b><u>Financial Statement Presentation</u></b>	<b><u>Basis of Accounting</u></b>	<b><u>Measurement Focus</u></b>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources
Fiduciary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end or due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a



# **Town of Glenmora**

## **Notes To Financial Statements**

**June 30, 2017**

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liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are as reported as an other financing source and repayment of long-term debt is reported as an expenditure.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Restricted Assets:**

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

### **Budget Practices:**

Budgets including any amendments are prepared in the manner prescribed by Louisiana revised statutes. Town budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. Budgets are adopted annually for the general fund and each special revenue fund. The remaining funds are not required to adopt budgets.

### **Capital Assets**

Capital assets, which include property, equipment and infrastructure, are reported as assets in the applicable governmental or business-type columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Assets reported in the fund financial statements for governmental funds exclude capital assets. Instead, the governmental funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the Town. Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 4 to 50 years. Useful lives are selected depending on the expected durability of the particular asset.

### **Cash and Cash Equivalents:**

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts and certificates of deposit. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

### **Internal Activity:**

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

# **Town of Glenmora**

## **Notes To Financial Statements**

**June 30, 2017**

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### **Compensated Absences**

Employees have limited ability to accumulate unused leave and do not have a vested interest in unused leave. Accordingly, there are no liabilities associated with compensated absences.

### **Fund Balance Classification:**

Approval of the majority of the Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the Town typically depletes the available restricted or committed resources before consuming unrestricted resources.

### **NOTE 2 - CASH AND CASH EQUIVALENTS**

At June 30, 2017, cash and cash equivalents included the following amounts:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Cash Deposited in Banks	\$ 329,056	\$ 331,899	\$ 660,955
Cash on Hand	241	250	491
Total Cash	329,297	332,149	661,446
Restricted Cash	----	144,742	144,742
Cash and Cash Equivalents	<u>\$ 329,297</u>	<u>\$ 187,407</u>	<u>\$ 516,704</u>

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2017, the Town has \$660,955 in deposits (\$715,279 collected bank balance). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$573,591 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

# **Town of Glenmora**

## **Notes To Financial Statements**

**June 30, 2017**

### **NOTE 3 - ACCOUNTS RECEIVABLE**

Accounts receivable for the year ended June 30, 2017 are summarized as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b><u>Accounts Receivable</u></b>			
Charges for Services	\$ ----	\$ 89,878	\$ 89,878
Franchise Fees	13,249	----	13,249
Other	151	2,114	2,265
Allowance for Doubtful Accounts	----	(23,500)	(23,500)
<b>Total Accounts Receivable</b>	<b>13,400</b>	<b>68,492</b>	<b>81,892</b>
<b><u>Due From Other Governmental Units</u></b>			
Sales Taxes	77,845	----	77,845
License Fees	568	----	568
2% Fire Insurance Rebate	10,628	----	10,628
Rapides Parish Police Jury	19,430	----	19,430
<b>Total Due From Other Governments</b>	<b>108,471</b>	<b>----</b>	<b>108,471</b>
<b>Total Receivables</b>	<b>\$ 121,871</b>	<b>\$ 68,492</b>	<b>\$ 190,363</b>

### **NOTE 4 - CAPITAL ASSETS**

Changes in governmental and business-type capital assets are presented as follows:

	<b>Governmental Activities</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b><u>Non Depreciable Capital Assets</u></b>				
Land	\$ 67,975	\$ 59,820	\$ ----	\$ 127,795
Construction in Process	----	86,486	----	86,486
<b>Total Non-Depreciable Assets</b>	<b>67,975</b>	<b>146,306</b>	<b>----</b>	<b>214,281</b>
<b><u>Depreciable Capital Assets</u></b>				
Equipment	691,930	4,258	----	696,188
Buildings	1,211,307	----	----	1,211,307
Infrastructure	544,485	----	----	544,485
Accumulated Depreciation	(1,089,619)	(105,779)	----	(1,195,398)
<b>Total Depreciable Capital Assets</b>	<b>1,358,103</b>	<b>(101,521)</b>	<b>----</b>	<b>1,256,582</b>
<b>Total Capital Assets</b>	<b>\$ 1,426,078</b>	<b>\$ 44,785</b>	<b>\$ ----</b>	<b>\$ 1,470,863</b>
<b><u>Business-Type Activities</u></b>				
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b><u>Depreciable Capital Assets</u></b>				
Sewer System				
Equipment	\$ 78,849	\$ 2,393	\$ ----	\$ 81,242
Buildings	19,294	----	----	19,294

# **Town of Glenmora**

## **Notes To Financial Statements**

**June 30, 2017**

	<b>Business-Type Activities</b>			<b>Ending Balance</b>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	
Infrastructure	3,813,320	----	----	3,813,320
Accumulated Depreciation	(1,812,390)	(85,538)	----	(1,897,928)
<b>Total Sewer System</b>	<b>2,099,073</b>	<b>(83,145)</b>	<b>----</b>	<b>2,015,928</b>
<b>Water System</b>				
Equipment	292,240	----	----	292,240
Buildings	8,486	----	----	8,486
Infrastructure	1,899,172	----	----	1,899,172
Accumulated Depreciation	(974,314)	(52,416)	----	(1,026,730)
<b>Total Water System</b>	<b>1,225,584</b>	<b>(52,416)</b>	<b>----</b>	<b>1,173,168</b>
<b>Natural Gas System</b>				
Equipment	51,787	----	----	51,787
Infrastructure	1,367,559	----	----	1,367,559
Accumulated Depreciation	(930,591)	(32,331)	----	(962,922)
<b>Total Natural Gas System</b>	<b>488,755</b>	<b>(32,331)</b>	<b>----</b>	<b>456,424</b>
<b>Total Business-type</b>	<b>\$ 3,813,412</b>	<b>\$ (167,892)</b>	<b>\$ ----</b>	<b>\$ 3,645,520</b>

Depreciation expense charged to various functions presented on the statement of activities is presented as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Police Department	\$ 14,358	\$ ----	\$ 14,358
Fire Department	19,046	----	19,046
Streets and Public Facilities	46,202	----	46,202
General Government	25,792	----	25,792
Culture and Recreation	381	----	381
Natural Gas System	----	32,331	32,331
Water System	----	52,416	52,416
Sewer System	----	85,538	85,538
<b>Total Depreciation Expense</b>	<b>\$ 105,779</b>	<b>\$ 170,285</b>	<b>\$ 276,064</b>

### **NOTE 5 – ACCOUNTS AND OTHER PAYABLE**

Amounts reported as accounts and other payables are amounts payable to vendors of \$44,285 that supply the Town with goods and services. The remaining \$59,335 is due to governmental entities.

### **NOTE 6 - LONG-TERM LIABILITIES**

Long-term liabilities attributable to the acquisition of the Town's utility system and the operation of the utility system are reported as an obligation of the Town's business-type enterprise funds. Remaining long-term liabilities are reported as governmental activities. The Town's long-term liabilities are summarized as follows:

# **Town of Glenmora**

## **Notes To Financial Statements**

**June 30, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Long-Term Liabilities</u></b>			
Debt Instruments			
Capital Lease	\$ 3,659	\$ ----	\$ 3,659
Revenue Bonds	----	<u>2,196,362</u>	<u>2,196,362</u>
Total Long-term Debt	<u>3,659</u>	<u>2,196,362</u>	<u>2,200,021</u>
Due Within One Year	<u>3,659</u>	<u>91,537</u>	<u>95,196</u>
Due in More Than One Year	<u>\$ ----</u>	<u>\$ 2,104,825</u>	<u>\$ 2,104,825</u>

### **Debt Instruments**

Long-term liabilities include debt instruments that are summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b><u>Governmental Activities</u></b>				
Capital Lease	\$ 14,119	\$ ----	\$ 10,460	\$ 3,659
<b><u>Business-Type Activities</u></b>				
Revenue Bonds	<u>2,284,274</u>	----	<u>87,912</u>	<u>2,196,362</u>
Total Long-term Debts	<u>\$ 2,298,393</u>	<u>\$ ----</u>	<u>\$ 98,372</u>	<u>\$ 2,200,021</u>

A description of the various debt instruments is presented as follows:

### **Revenue Bonds**

\$1,136,000 Sewer Revenue Bond Series 2001, bearing interest at a rate of 4.125%, payable in monthly installments of \$5,147 with the final installment due in 2042.	\$ 935,010
\$1,312,000 Water Revenue Bonds Series 2001, bearing interest at a rate of 4.125% payable in monthly installments of \$6,230 with the final installment due in 2042.	1,131,702
\$55,500 Water Revenue Obligations Series 2007, bearing interest at a rate of 4.125% payable in monthly installments of \$256 with the final installment due in 2042. This obligation was incurred to amortize delinquent bond payments over a period of years.	45,726
\$1,110,000 Natural Gas Revenue Bonds Series 1980, bearing interest at a rate of 5.000% payable in annual installments of \$3,550 with the final installment due in 2020.	<u>83,924</u>
Total Revenue Bonds	<u>\$ 2,196,362</u>

# **Town of Glenmora**

## **Notes To Financial Statements**

**June 30, 2017**

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A schedule of maturities of debt instruments excluding capital leases is presented as follows:

<u>Year Ended June 30<sup>th</sup></u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Business-Type Activities</u>			
2018	\$ 91,537	\$ 90,659	\$ 182,196
2019	95,313	86,883	182,196
2020	60,924	82,951	143,875
2021	59,183	80,413	139,596
2022	61,624	77,972	139,596
2023-2027	348,415	349,565	697,980
2028-2032	426,453	271,527	697,980
2033-2037	521,971	176,009	697,980
2038-2042	530,942	59,151	590,093
Total Business-Type	<u>\$ 2,196,362</u>	<u>\$ 1,275,130</u>	<u>\$ 3,471,492</u>

### **Capital Lease**

The Town has acquired a police vehicle by entering into an installment purchase agreement. The installment purchase obligation outstanding at June 30, 2017 is described as follows:

Capital lease purchase agreement dated December 4, 2014 executed in exchange for a police vehicle, with an original balance of \$30,544, bearing interest of 6.15%, payable in 36 monthly installments of \$927. \$ 3,659

A schedule of maturities for the note is presented as follows:

2018	\$ 3,659
Amounts representing interest	46
Present value of future minimum lease payments	<u>\$ 3,705</u>

### **NOTE 7 – TAXES:**

#### **Ad Valorem Taxes:**

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Rapides Parish. Property taxes are limited to an assessment for general alimony as permitted by State Law. Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed by the Town's General Fund.

#### **Sales Taxes:**

Sales taxes are collected by the Parish of Rapides and remitted to the Town on a monthly basis. For the year ended June 30, 2017 the Town has levied sales taxes described as follows:

- A 1.0% sales tax available for the general operations of the Town.
- A 0.5% sales tax dedicated to the operations and maintenance of the Town's Fire Department.
- The Town is also entitled to receive a portion of a parish-wide sales tax that is shared with other government agencies. The proceeds of this tax are unrestricted. Accordingly, the tax is deposited in the general fund and expended at the Town's discretion.

# **Town of Glenmora**

## **Notes To Financial Statements**

**June 30, 2017**

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- In addition, the Town receives an allocation of sales taxes collected by the Parish for Road District Number 3. The proceeds of this tax are deposited in the general fund and used exclusive for the Town's Street Department.

### **NOTE 8- RISK MANAGEMENT**

The Town is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town insures against these risks by participation in public entity risk pools that operate as common insurance programs and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

### **NOTE 9 – RESTRICTIONS AND COMMITMENTS**

Details regarding limitations imposed on the use of various resources are summarized as follows:

#### **Debt Service**

Bond covenants require the Town to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants. Amounts on deposit in these accounts are reported as restricted cash. In addition, the corresponding amounts of net position are also presented as restricted net position by the applicable funds.

#### **Fire Protection**

The Town has collected taxes that are dedicated to providing Fire Protection. Amounts that are subject to this dedication are reported as restricted.

#### **Economic Development**

A revolving loan fund established by a grant dedicated to Economic Development is considered restricted.

### **NOTE 10 – PENSION PLANS**

The Town's employees are eligible to be members of a statewide retirement system. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. A summary of amounts reported in connection with participation in this plan is summarized as follows:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 166,513	\$ 94,387	\$ 8,953
Portion Applicable to Business Type Activities	<u>97,184</u>	<u>49,176</u>	<u>4,665</u>
Portion Applicable to Government Type Activities	<u>\$ 69,329</u>	<u>\$ 45,211</u>	<u>\$ 4,288</u>

#### **Municipal Employees' Retirement System of Louisiana:**

**Plan Description** - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the municipality are members of Plan B. Permanent employees not engaged in law enforcement working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10

# **Town of Glenmora**

## **Notes To Financial Statements**

**June 30, 2017**

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years of creditable service, but less than 30 years may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issued an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained going to [mersla.com](http://mersla.com).

**Funding Policy** - Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by State law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the system were equal to 9.5% of member earnings.

**Financial Summary** – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available standalone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at [mersla.com](http://mersla.com). The plans net pension liability was determined at June 30, 2016 (measurement date and actuarial valuation date) and details are provided as follows:

Net Pension Liability	\$ 226,092,430
Plan Fiduciary Net Pension	143,201,586
Employer's net pension liability	82,890,844
Town's Proportionate Share (Percentage)	0.200882%
Town's Proportionate Share (Amount)	<u>\$ 166,513</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2016 are provided as follows:

Beginning Net Pension Liability	\$ 109,399
Employer Contributions	(14,021)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	29,966
Changes in Benefit Terms	2,166
Employee Contributions	(4,946)
Deferred Outflows of Resources	36,688
Deferred Inflows of Resources	7,261
Ending Net Pension Liability	<u>\$ 166,513</u>

There were no changes between June 30, 2017 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:



# ***Town of Glenmora***

## **Notes To Financial Statements**

**June 30, 2017**

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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net</b>
Differences Between Expected and Actual Experience	\$ 1,366	\$ 2,406	\$ (1,040)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	40,815	----	40,815
Changes of Assumptions	8,297	----	8,297
Changes in Proportion	22,765	6,546	16,219
Employer Contributions Made After the Measurement Date	21,144	----	21,144
<b>Total Deferrals</b>	<b>94,387</b>	<b>8,952</b>	<b>85,435</b>
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	21,144	----	21,144
<b>Deferrals Subject to Amortization</b>	<b>\$ 73,243</b>	<b>\$ 8,952</b>	<b>\$ 64,291</b>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
June 30, 2017	\$ 16,065
June 30, 2018	23,184
June 30, 2019	18,828
June 30, 2020	6,214
<b>Total</b>	<b>\$ 64,291</b>

The actuarial assumptions used in the June 30, 2016 valuation was based on the results of an experience study, for the period July 2009 through June 30, 2014.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5%
Inflation Rate of Return	2.875%
Projected Salary Increases	5.00%

# **Town of Glenmora**

## **Notes To Financial Statements**

**June 30, 2017**

Annuitant and beneficiary mortality	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables (set back 2 years for males and set forward 1 year for females projected to 2028 using scale AA)
Employee mortality	RP-2000 Disables Lives Mortality Table (set back 2 years for males and females)
Disabled lives mortality	RP-2000 Disabled Lives Mortality Tables (set back 5 years for males and 3 years for females)
Expected Remaining Service Lives	3 years for Plan A and 4 years for Plan B

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public equity	50%	2.60%
Public fixed income	35%	1.80%
Alternatives	15%	0.80%
Totals	<u>100%</u>	<u>5.20%</u>
Inflation		<u>2.50%</u>
Expected Arithmetic Nominal Return		<u>7.70%</u>

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	<u>1% Decrease 6.5% Discount Rate</u>	<u>Current Discount Rate 7.5%</u>	<u>1% Increase 8.5 % Discount</u>
Net Pension Liability	\$ 215,406	\$ 166,513	\$ 124,797

### **NOTE 11 – INTERNAL BALANCES**

In some cases resources available in particular funds have been used to supplement the operations of other funds. Internal receivables and payables have arisen as a result of these transactions. These internal balances are summarized as follows:

# **Town of Glenmora**

## **Notes To Financial Statements**

**June 30, 2017**

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Net</u>
<b><u>Governmental Funds</u></b>			
General Fund	\$ ----	\$ 29,627	\$ (29,627)
Economic Development	22,318	----	22,318
Non Major Fund	24,632	----	24,632
Total Governmental Funds	<u>46,950</u>	<u>29,627</u>	<u>17,323</u>
<b><u>Business Type Funds</u></b>			
Water System	----	17,323	(17,323)
Total	<u>\$ 46,950</u>	<u>\$ 46,950</u>	<u>\$ ----</u>

### **NOTE 12 - TRANSFERS**

In the ordinary course of business, the Town routinely transfers resources between its funds to utilize resources where needed. Transfers during the year ended June 30, 2017 are summarized as follows:

	<u>Operating Transfers In/(Out)</u>
<b><u>Governmental Funds</u></b>	
General Fund	<u>\$ (45,254)</u>
<b><u>Business-Type Funds</u></b>	
Sewer System	55,057
Water System	(20,022)
Natural Gas System	10,219
Total Business-Type	<u>45,254</u>
Net Transfers	<u>\$ ----</u>

### **NOTE 13 – CONTINGENCIES:**

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at June 30, 2017 are described as follows:

#### **Litigation**

Like most governmental units with extensive and diverse operations, the Town is occasionally named as a defendant in litigation. Based on consultation with the Town Attorney, sufficient information is not available to predict the potential outcome of pending and threatened litigation.

#### **Grant Compliance**

The Town receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

# **Town of Glenmora**

## **Notes To Financial Statements**

**June 30, 2017**

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### **NOTE 14 – ON BEHALF PAYMENTS**

The State of Louisiana provides supplemental pay for public safety employees that meet certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are presented as follows:

Police Department	\$ 9,451
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### **NOTE 15 – ECONOMIC DEVELOPMENT FUND**

Management believes that decades ago the Town received a Community Development Block Grant that was intended to establish a revolving loan fund for business in the Town of Glenmora. The original documents to this grant are not available. In addition, the Town has not maintained payment histories to document collections made in connection with these loans. Without access to the loan terms and payment histories it is impossible to obtain sufficient evidence to support the amounts reported as loan balances. Furthermore, the financial statements report a \$17,323 interfund receivable to the water fund and \$4,995 to the general fund. Current management is unaware of the origins of this receivable. Due to the lack of information involving this fund any misstatement in this fund cannot be practically determined.

The amounts reported as loan balances at June 30, 2017 are:

Notes Receivable	\$ 62,115
Allowance for bad debts	(53,136)
Net	<u>\$ 8,979</u>

### **NOTE 16 – TRAFFIC TICKET PROCESSING**

Due to clerical deficiencies in the process for administering traffic citation collections, documentation was not available to support some amounts reported as revenue from fines and court costs. It was not practical to determine any misstatement that may have occurred as a consequence of this matter.

### **NOTE 17 – PRIOR PERIOD ADJUSTMENT**

Management has discovered that grant funds were received during the current year that were related to expenses in the prior period. These funds should have been reported in the prior period and affect the opening balance of the Town's Water Fund. The effect of the prior period adjustment on results previously reported for the year end June 30, 2016 is summarized below:

	<u>For the Year Ended June 30, 2016</u>		
<b><u>Business-Type Activities</u></b>			
Change in Net Position	\$ 351,599	\$ 23,368	\$ 374,967
Beginning Net Position	1,391,519	----	1,391,519
Ending Net Position	<u>\$ 1,743,118</u>	<u>\$ 23,368</u>	<u>\$ 1,766,486</u>
<b><u>Water Fund</u></b>			
Change in Net Position	\$ 243,881	\$ 23,368	\$ 267,249
Beginning Net Position	(111,340)	----	(111,340)
Ending Net Position	<u>\$ 132,541</u>	<u>\$ 23,368</u>	<u>\$ 155,909</u>

# **Town of Glenmora**

## **General Fund**

### **Statement of Revenues, Expenditures and Changes in Fund Balances**

**Budget and Actual - Year Ended June 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>Total Revenues</b>	<u>\$ 1,068,110</u>	<u>\$ 1,037,900</u>	<u>\$ 1,160,455</u>	<u>\$ 122,555</u>
<b><u>Expenditures:</u></b>				
<b>Current:</b>				
General Government	326,330	330,000	294,024	35,976
Public Safety				
Police Department	277,800	278,000	312,491	(34,491)
Fire Department	36,638	40,000	101,293	(61,293)
Public Works				
Streets and Drainage	182,400	180,000	294,259	(114,259)
Sanitation	104,000	100,000	105,880	(5,880)
Recreation	900	900	6,082	(5,182)
Other Appropriations	-	-		
Capital Expenditures	-	84,830	150,564	(65,734)
Debt Service	-	-	11,118	(11,118)
<b>Total Expenditures</b>	<u>928,068</u>	<u>1,013,730</u>	<u>1,275,711</u>	<u>(261,981)</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	140,042	24,170	(115,256)	(139,426)
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers Out	-	100,000	(45,254)	(145,254)
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	140,042	124,170	(160,510)	(284,680)
<b>Fund Balance (Deficit) - Beginning of Year</b>	<u>603,084</u>	<u>703,547</u>	<u>382,111</u>	<u>(321,436)</u>
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ 743,126</u>	<u>\$ 827,717</u>	<u>\$ 221,601</u>	<u>\$ (606,116)</u>

# **Town of Glenmora**

## **Schedule of Net Pension Liability Data Cost Sharing Retirement Systems**

---

Retirement System / Measurement Date	Share of Collective		Covered Payroll	Net Pension	Pension Plans
	Net Pension Liability			Liability as a	Fiduciary Net
	Percent	Amount		Percentage of	Position as a
			Covered	Total Pension	
			Payroll	Liability	
Municipal Employees' Retirement System					
June 30, 2014	0.14%	63,445	91,909	69.0%	76.9%
June 30, 2015	0.16%	109,396	149,606	73.1%	68.7%
June 30, 2016	0.20%	166,513	193,049	86.3%	63.34%

**Notes to Schedule:**

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

# **Town of Glenmora**

## ***Schedule of Employer Contributions Cost Sharing Retirement Systems***

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Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Municipal Employees' Retirement System					
June 30, 2014	8,042	8,042	-	91,909	8.75%
June 30, 2015	10,607	14,212	(3,605)	149,606	9.50%
June 30, 2016	21,235	14,020	7,215	193,049	7.26%

**Notes to Schedule:**

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

# **Town of Glenmora**

## ***Schedule of Compensation Paid to Elected Officials For the year ended June 30, 2017***

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Joseph Mott	\$ 21,600
Thomas Doyle	30,823
Darla Billings	4,200
Joseph Rivers	4,200
Glynn Dixon	4,200
Willie Moore	4,200
Clyde Myers	<u>4,200</u>
Total Compensation	<u>\$ 73,423</u>



# **Town of Glenmora**

## ***Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer Year Ended June 30, 2017***

---

<u>Agency Head (Mayor)</u>	<u>Joseph Mott</u>
Compensation	\$ 21,600
Benefits	-
Reimbursements	200
	<u>\$ 21,800</u>

# **TOWN OF GLENMORA**

## ***Summary of Findings and Questioned Cost June 30, 2017***

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### **PART I - SUMMARY OF AUDITOR'S RESULTS**

- The Independent Auditor's Report on the financial statements for the Town of Glenmora as of June 30, 2017 and for the year then ended expressed a qualified opinion.
- A deficiency in internal control (2017-1, 2017-5, and 2017-6) was reported in connection with the audit.
- Two instances of noncompliance (2017-2, 2017-3, 2017-4, and 2017-7) material to the financial statements of the Town of Glenmora were disclosed during the audit.

### **PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:**

#### **2017-1: Economic Development Loans**

The Town has an Economic Development Fund that has been used in the past to provide loans to business enterprises. Records related to the grant proceeds that were used to establish the Economic Development Fund cannot be located. Due to the absence of records documenting the grant terms, management cannot evaluate compliance with the provision of the original grant agreement. Accordingly, we suggest contacting the grantor to request instructions on the disposition of the fund's remaining assets.

#### **2017-2: NON COMPLIANCE WITH BOND COVENANTS**

In exchange for fees, the Town provides residents with utility service including water, natural gas and sewage disposal. Operation of the utility system has not produced sufficient income to recover the costs of operations and service debt incurred to construct the utility system. In order to provide income necessary to sustain operations and repay creditors, we suggest altering the Town's utility rate structure to provide additional the revenue needed to meet the utility system's obligations.

#### **2017-3: Budget Violation**

The Town's General Fund expenditures exceeded budgeted appropriations by more than the variances allowed by law. This variance occurred due to management failing to properly budget the purchase of capital expenditures, public safety, and streets and drainage expenditures. Management should review the budget to actual expenditures each month and amend the budget when actual expenditures exceed budgeted expenditures by more than 5%. This will allow management to closely monitor the Town's expenditures and reduce the risk of purchases that were not properly authorized. We recommend that management review budget to actual expenditures each month and amend the budget as necessary.

#### **2017-4: Sales Tax Paid on Purchases**

We have found instances in which the Town paid sales taxes on some purchases during the year. The Town is exempt from paying sales taxes on purchases. To ensure that the Town does not pay sales taxes in the future, we recommend that the Town provide each vendor with the form provided by the Louisiana Department of Revenue that demonstrates the Town's tax exempt status.

#### **2017-5: Controls over Credit Cards**

There were many instances in which the original itemized receipt was not turned over to the Town clerk for credit card and gas card usage. A system of internal controls requires original itemized receipts be turned in to the clerk for each purchase with the Town credit card or gas card. This system allows each transaction to be monitored and verified by an individual other than the individual initiating the transaction. Lack of oversight on credit card purchases could lead to improperly recording purchases. We recommend original itemized receipts be turned in to the clerk for each credit card or gas card purchase. Further we recommend that usage of the Town credit card be limited and that the card only be used when necessary and that the Town use their purchase order system and pay vendors directly from invoices remitted to the Town.

# **TOWN OF GLENMORA**

## ***Summary of Findings and Questioned Cost June 30, 2017***

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### **2017-6: Traffic Citation Administration:**

There are weaknesses in the administration and collections of traffic citations. For some of the citations reported in the computer system, the staff could not locate the original document. In some cases, information concerning payments received was not timely and properly recorded in the court system and adequate supporting documentation was not maintained for fines collected. These critical procedures have not been completed in a timely manner.

### **2017-7: Utility Cutoff Procedures:**

Past due utility bills have increased during the year. This may be an indication that the cutoff policy is not being enforced. The Town must enforce the cutoff policy to ensure that all citizens pay the proper rates. We recommend that the Town begin strictly enforcing the cutoff policy. Also, if citizens leave the system and owe a balance then the past due amounts should be turned over to collections.

### **PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY UNIFORM GUIDANCE:**

N/A – An audit under the Uniform Guidance was not required.

# **TOWN OF GLENMORA**

## ***Management's Corrective Action Plan***

***June 30, 2017***

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<b>SECTION I</b>	
<b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<p><b><u>2017-1: Economic Development Loans</u></b> The Town has an Economic Development Fund that has been used in the past to provide loans to business enterprises. Records related to the grant proceeds that were used to establish the Economic Development Fund cannot be located. Due to the absence of records documenting the grant terms, management cannot evaluate compliance with the provision of the original grant agreement. Accordingly, we suggest contacting the grantor to request instructions on the disposition of the fund's remaining assets.</p> <p><b><u>2017-2: NON COMPLIANCE WITH BOND COVENANTS</u></b> In exchange for fees, the Town provides residents with utility service including water, natural gas and sewage disposal. Operation of the utility system has not produced sufficient income to recover the costs of operations and service debt incurred to construct the utility system. In order to provide income necessary to sustain operations and repay creditors, we suggest altering the Town's utility rate structure to provide additional the revenue needed to meet the utility system's obligations.</p> <p><b><u>2017-3: Budget Violation</u></b> The Town's General Fund expenditures exceeded budgeted appropriations by more than the variances allowed by law. This variance occurred due to management failing to properly budget the purchase of capital expenditures, public safety, and streets and drainage expenditures. Management should review the budget to actual expenditures each month and amend the budget when actual expenditures exceed budgeted expenditures by more than 5%. This will allow management to closely monitor the Town's expenditures and reduce the risk of purchases that were not properly authorized. We recommend that management review budget to actual expenditures each month and amend the budget as necessary.</p> <p><b><u>2017-4: Sales Tax Paid on Purchases</u></b> We have found instances in which the Town paid sales taxes on some purchases during the year. The Town is exempt from paying sales taxes on purchases. To ensure that the Town does not pay sales taxes in the future, we recommend that the Town provide each vendor with the</p>	<p><b><u>2017-1: Economic Development Loans</u></b> Since there is no further need for the Economic Development Loan program, we have attempted to contact the original grantor and request approval for an alternative use of the remaining funds.</p> <p><b><u>2017-2: Non Compliance With Bond Covenants</u></b> There has been substantial improvement in our utility revenues. We have cut costs and will continue to review the possibility of a utility rate increase.</p> <p><b><u>2017-3: Budget Violation</u></b> We will more closely monitor our expenditures in the future and amend the budget as necessary.</p> <p><b><u>2017-4: Sales Tax Paid on Purchases</u></b> We will closely monitor our purchases in the future to ensure we do not pay sales taxes on purchases. Furthermore, we will provide each of our vendors with the appropriate form demonstrating that we are tax exempt.</p>

# **TOWN OF GLENMORA**

## ***Management's Corrective Action Plan***

***June 30, 2017***

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### **SECTION I**

#### **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.**

form provided by the Louisiana Department of Revenue that demonstrates the Town's tax exempt status.

##### **2017-5: Controls over Credit Cards:**

There were many instances in which the original itemized receipt was not turned over to the Town clerk for credit card and gas card usage. A system of internal controls requires original itemized receipts be turned in to the clerk for each purchase with the Town credit card or gas card. This system allows each transaction to be monitored and verified by an individual other than the individual initiating the transaction. Lack of oversight on credit card purchases could lead to improperly recording purchases. We recommend original itemized receipts be turned in to the clerk for each credit card or gas card purchase. Further we recommend that usage of the Town credit card be limited and that the card only be used when necessary and that the Town use their purchase order system and pay vendors directly from invoices remitted to the Town.

##### **2017-6: Traffic Citation Administration:**

There are weaknesses in the administration and collections of traffic citations. For some of the citations reported in the computer system, the staff could not locate the original document. In some cases, information concerning payments received was not timely and properly recorded in the court system and adequate supporting documentation was not maintained for fines collected. These critical procedures have not been completed in a timely manner.

##### **2017-7: Utility Cutoff Procedures:**

Past due utility bills have increased during the year. This may be an indication that the cutoff policy is not being enforced. The Town must enforce the cutoff policy to ensure that all citizens pay the proper rates. We recommend that the Town begin strictly enforcing the cutoff policy. Also, if citizens leave the system and owe a balance then the past due amounts should be turned over to collections.

##### **2017-5: Controls over Credit Cards:**

We have instructed all supervisors that original itemized receipts must be remitted to the Town clerk each month. Further, we have instructed the clerk that each credit card and gas card statement must be reconciled each month to the original receipts. Further, we will begin limiting the use of the Town credit card.

##### **2017-6: Traffic Citation Administration:**

We have begun the process of reviewing our controls over traffic tickets. We will review the entire process and implement the necessary changes to ensure that controls over traffic tickets improve.

##### **2017-7: Utility Cutoff Procedures:**

We will review our cutoff policies and take the necessary corrective action. In addition, we will continue reviewing accounts receivable reports and delinquent reports and turn over old outstanding balances to collections.

# **TOWN OF GLENMORA**

## **Management's Corrective Action Plan**

**June 30, 2017**

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<b>SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<b><u>No Findings of this nature.</u></b>	<b><u>No response necessary</u></b>

<b>SECTION III MANAGEMENT LETTER</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<b><u>No Findings of this nature.</u></b>	<b><u>No response necessary</u></b>

# **TOWN OF GLENMORA**

## **Summary of Prior Year Findings and Questioned Cost June 30, 2017**

<b>SECTION I</b>	
<b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<p><b><u>2016-1: Economic Development Loans</u></b>                      The Town has an Economic Development Fund that has been used in the past to provide loans to business enterprises. Records related to the grant proceeds that were used to establish the Economic Development Fund cannot be located. Due to the absence of records documenting the grant terms, management cannot evaluate compliance with the provision of the original grant agreement. Accordingly, we suggest contacting the grantor to request instructions on the disposition of the fund's remaining assets.</p>	<p><b><u>Unresolved:</u></b> See Finding 2017-1.</p>
<p><b><u>2016-2: NON COMPLIANCE WITH BOND COVENANTS</u></b>                      In exchange for fees, the Town provides residents with utility service including water, natural gas and sewage disposal. Operation of the utility system has not produced sufficient income to recover the costs of operations and service debt incurred to construct the utility system. In order to provide income necessary to sustain operations and repay creditors, we suggest altering the Town's utility rate structure to provide additional the revenue needed to meet the utility system's obligations.</p>	<p><b><u>Unresolved:</u></b> See Finding 2017-2</p>

<b>SECTION II</b>	
<b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<p><b><u>No Findings of this nature.</u></b></p>	<p><b><u>No response necessary</u></b></p>

<b>SECTION III</b>	
<b>MANAGEMENT LETTER</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<p><b><u>No Findings of this nature.</u></b></p>	<p><b><u>No response necessary</u></b></p>

**APPENDIX A**  
**Statewide Agreed-Upon Procedures**



# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE • ALEXANDRIA, LOUISIANA 71301

**JOHN S. ROZIER, IV, CPA, APALLC**  
**MARK S. MCKAY, CPA**  
**LEE W. WILLIS, CPA**  
**RHONDA L. RACHAL, CPA**  
**STEVEN E. KIMBALL, CPA**  

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**RICHARD BESSON, CPA**  
**STEVEN MCKAY, CPA**

**MAILING ADDRESS**  
POST OFFICE BOX 12178  
ALEXANDRIA, LOUISIANA 71315-2178  
TELEPHONE (318) 442-1608

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**M. DALE HARRINGTON, CPA**  
**RETIRED - 2005**

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### Independent Accountant's Report On Applying Agreed-Upon Procedures

The Honorable Mayor  
And the Board of Alderman and  
the Louisiana Legislative Auditor:

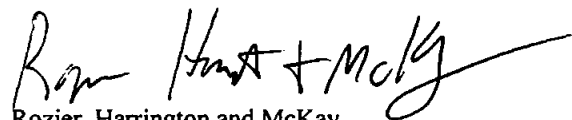
We have performed the procedures enumerated below, which were agreed to by the Town of Glenmora (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are presented in the accompanying Schedule of Procedures, Results and Managements' Response.

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

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



Rozier, Harrington and McKay  
Certified Public Accountants  
Alexandria, Louisiana  
December 30, 2017

# **Town of Glenmora**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response**

<b>Written Policies and Procedures</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>1 Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions:</p> <ul style="list-style-type: none"><li>• Budgeting</li><li>• Purchasing</li><li>• Disbursements</li><li>• Receipts</li><li>• Payroll/Personnel</li><li>• Contracting</li><li>• Credit Cards</li><li>• Travel and expense reimbursements</li><li>• Ethics</li><li>• Debt</li></ul>	<p>An analysis of written policies and procedures has resulted in the following conclusions:</p> <ul style="list-style-type: none"><li>• Payroll/Personnel is addressed in the detail suggested by agreed-upon procedures.</li><li>• Travel and expense reimbursements is in the detail suggested by the agreed-upon procedures.</li><li>• Details related to the following functions were limited and did not specifically address suggested components.<ul style="list-style-type: none"><li>○ Budgeting</li><li>○ Purchasing</li><li>○ Disbursements</li><li>○ Receipts</li><li>○ Contracting</li><li>○ Credit Cards</li><li>○ Ethics</li><li>○ Debt</li></ul></li></ul>	<p>Despite the absence of written details, Glenmora has established policies and procedures that are clearly understood by personnel responsible for execution. In addition, we will consider the need to formally adopt the procedures that are in place and performing as intended.</p>

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Board (or Finance Committee)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>2 Obtain and review the board/committee minutes for the fiscal period, and:</p> <p>a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation</p> <p>b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis)</p> <p style="padding-left: 20px;">➤ If budgets are adopted that increase an existing deficit, is there a formal written plan to eliminate deficit spending and do the minutes indicate periodic monitoring of the plan?</p> <p>c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.</p>	<p>The governing board meets monthly with a quorum.</p> <p>The governing board reviewed financial statements as part of the monthly activity report that they received. Further details are provided as follows:</p> <ul style="list-style-type: none"> <li>• The financial statements did not include budget comparisons.</li> <li>• Budgets adopted and by the governing board did not include deficits.</li> </ul> <p>Monthly meetings include non-budgetary items such approving monthly disbursements, increasing the fine structure, and purchasing property.</p>	<p><i>The results did not include any findings or issues requiring a response.</i></p> <p>For the subsequent period, budget comparisons will be added to the information reviewed by the Board on a monthly basis.</p> <p><i>The results did not include any findings or issues requiring a response.</i></p>

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Bank Reconciliations</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
3 Obtain a listing of client bank accounts from management	All bank accounts are provided by the Town Clerk.	<i>The results did not include findings or criticisms.</i>
4 Using the listing provided by management, select one third bank accounts and report whether:  a) Bank reconciliations have been prepared;  b) Bank reconciliations include evidence that a member of management or a board member has reviewed each bank reconciliation  c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.	The bank accounts have been reconciled monthly.  There is no evidence that a member of management or a board member has reviewed each bank reconciliation.  Each of the accounts we reviewed had outstanding items greater than 6 months and there was no evidence that these items had been researched.	<i>The results did not include findings or criticisms.</i>  We plan to have a council member who is not a signatory on the accounts to review the bank reconciliations monthly.  We will review each bank reconciliation, research each of the reconciling items that is greater than 6 months outstanding, and take appropriate action.

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Collections</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>5 Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.</p> <p>6 Using the listing provided by management, select a minimum of five (5) cash collection locations, obtain written documentation and report whether:</p> <p>a) Each person responsible for collecting cash is:</p> <ul style="list-style-type: none"> <li>• bonded,</li> <li>• not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account</li> <li>• not required to share the same cash register or drawer with another employee.</li> </ul> <p>b) The entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.</p>	<p>All collection activity is conducted at 1000 7<sup>th</sup> Avenue, Glenmora, LA (Town Hall)</p> <ul style="list-style-type: none"> <li>• Coverage for employee theft with a loss limit is maintained.</li> <li>• Each clerk has a separate cash drawer.</li> <li>• The Town clerk does not deposit cash in the bank but does record the transaction and reconcile the bank account.</li> </ul> <p>The Clerk, who is not responsible for cash collections, records transactions daily into the general ledger. There is not a formal process for reconciling cash collections to the general ledger and the subsidiary ledgers.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p>The size of the staff limits opportunities for segregation of duties. Risk is mitigated because most collections are in the form of direct deposit, credit card, or check. Transactions involving currency that is susceptible to misappropriation are limited.</p> <p>We are currently in the process of implementing new procedures where the clerk will reconcile collections daily to subsidiary ledgers.</p>

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Collections</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:</p> <ul style="list-style-type: none"><li>• Report whether the deposits were made within one day of collection.</li><li>• Verify that daily cash collections are completely supported by documentation</li></ul>	<ul style="list-style-type: none"><li>• There were 23 deposits during the highest dollar cash collection week. There was one deposit that was 4 days late. All other deposits were made with in one day.</li><li>• Collections are completely supported by documentation.</li></ul>	<p>We are currently in the process of implementing new procedures to ensure that all deposits are made daily.</p>
<p>7 Obtain existing written documentation and report whether the entity has a process specifically defined to determine completeness of all collections by a person who is not responsible for collections.</p>	<p>The process utilizes receipts and accounts receivable records to determine that collections are complete. Although the process is functional, the procedures have not been formally documented or committed to written form.</p>	<p>Despite the absence of written details, Glenmora has established policies and procedures that are clearly understood by personnel responsible for execution. In addition, we will consider the need to formally adopt the procedures that are in place and performing as intended.</p>

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>8 Obtain a listing of entity disbursements from management</p>	<p>Management provided access to the general ledger system that reports all disbursement activity.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>9 Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:</p> <p>a) Purchases were initiated using a requisition/purchase order system.</p> <p>b) Purchase orders were approved by a person who did not initiate the purchase.</p> <p>c) Payments for purchases were not processed without</p> <ul style="list-style-type: none"> <li>• An approved requisition and/or purchase order</li> <li>• A receiving report showing receipt of goods purchased,</li> <li>• An approved invoice.</li> </ul>	<p>The Town has a process for using purchase orders. However, the use of purchase orders was limited and they were typically not fully completed. Each transaction processed was supported by an invoice or similar supporting documentation. There were five items in which the invoice did not show evidence of approval.</p>	<p>Due to the small workforce management is capable of monitoring approval and receipts without the need for formal requisitions, purchase orders, or receiving reports. Invoices are reviewed for approval and receipt considerations before disbursements are made. We will strengthen our procedures to ensure that all invoices are approved.</p>

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
10 Using entity documentation report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.	The Town Clerk is responsible for processing all payments and can add vendors to the system.	The size of the staff limits opportunities for segregation of duties. The Town Clerk processes disbursements weekly but can add vendors to the system as necessary. Risks are mitigated by the involvement of the mayor reviewing each disbursement.
11 Using entity documentation report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.	The Mayor and some Council members have signatory authority. Also, the Mayor has the ability to initiate purchases. The Town Clerk has responsibility for recording purchases.	The size of the staff limits opportunities for segregation of duties. Risks are mitigated by the dual signature requirement.
12 Inquire of management and observe whether the supply of unused checks or blank check stock is maintained in a locked location, with access restricted to those persons that do not have signatory authority.	The check stock is in a locked cabinet in the Clerk's office. The clerk, ticket clerk, and utility clerk each have keys to the cabinet. The Town Clerk does have signatory authority.	Even though the clerk has signatory authority, her signature is used in very limited circumstances. Furthermore, risks are mitigated by dual signatures being required for all checks.
13 If a signature stamp or signature machine is used, inquire of the signer whether his or her signature and any signed checks is maintained under his or her control or is used only with the knowledge and consent of the signer.	There are no signature stamps.	<b><i>The results did not include findings or criticisms.</i></b>



**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>14 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards).</p>	<p>The Clerk provided a list of credit cards.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>15 Select the monthly statement or combined statement with the largest dollar activity for each card and:</p> <p>a) Is there evidence that the monthly statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.</p> <p>b) Report whether finance charges and/or late fees were assessed on the selected statements</p>	<p>There was evidence that one of the two credit card statements was approved by the Mayor who is also a card holder.</p> <p>One of the two credit card statements had a finance charge of \$340.91.</p>	
<p>16 Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).</p> <p>a) Obtain supporting documentation for all transactions for each of the 10 cards selected by:</p> <ul style="list-style-type: none"> <li>• An original itemized receipt</li> <li>• Documentation of the business/public purpose</li> <li>• Other documentation that may be required by written policy</li> </ul>	<p>Documentation was available to support 72.8% of the credit card purchases. Undocumented purchases included:</p> <ul style="list-style-type: none"> <li>• A Microsoft software renewal</li> <li>• A hotel stay for a conference</li> <li>• There were no gas receipts for the animal warden, police department, and one fuel up for the fire department.</li> </ul>	

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
	There were several receipts to a local building supply store, an online electronics vendor, and an office supply store in which there was no documentation written on the invoice as to the business purpose.	
b) Compare the transaction's detail to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law	None of the purchases were subject to Public Bid Law requirements.	<i>The results did not include findings or criticisms.</i>
c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution	None of the purchases appeared to be a loan, pledge, or donation of funds, credit, property, or things of value	<i>The results did not include findings or criticisms.</i>

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Travel and Expense Reimbursement</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
17 Obtain from management a listing of all travel and related expense reimbursements, by person.	The Clerk provided us with a folder of all travel and related expense reimbursements.	<b><i>The results did not include findings or criticisms.</i></b>
18 Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration and report any amounts that exceed GSA rates.	A formal policy has been adopted. However, the standard mileage rate in the policy is that an employee is reimbursed \$.32 per mile. In each case, the employees were reimbursed the standard rates established by the Internal Revenue Service.	We will review our policy and reimburse employees in accordance with the policy.
19 Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:  a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.	Payments did not exceed the GSA maximum.	<b><i>The results did not include findings or criticisms.</i></b>

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Travel and Expense Reimbursement</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>b) Report whether each expense is supported by:</p> <ul style="list-style-type: none"> <li>• An original itemized receipt that identifies precisely what was purchased.</li> <li>• Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).</li> <li>• Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)</li> </ul>	<p>The transaction was supported by adequate documentation that demonstrated business purpose.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.</p>	<p>None of the reimbursement received represented a loan, pledge, or donation of funds, credit, property, or things of value</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>Approval was provided by a source other than the recipient.</p>	<p><i>The results did not include findings or criticisms.</i></p>

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Contracts</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>20 Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments.</p>	<p>The list was obtained.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>21 Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:</p> <p>a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.</p> <p>b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:</p> <ul style="list-style-type: none"> <li>• If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements.</li> <li>• If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.</li> </ul> <p>c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an</p>	<p>Arrangements were documented in a formal written contract.</p> <p>The contracts were not subject to the public bid law. The contracts subject to testing were each for professional services. Due to the subjective nature of the services factors other than price were considered in awarding the contract.</p> <p>None of the contracts evaluated were subject to amendments or change orders.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Contracts</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
amendment.  d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.  e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).	The invoice and related payments were consistent with the contract terms.  Policies and procedures did not require specific approval by the governing board.	<i>The results did not include findings or criticisms.</i>  Rather than specifically approving each contract, the Board provided funding in the budget for the contracts that were subject to testing. We believe that this process provides an appropriate level of oversight for the contracting process.

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>22 Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:</p> <p>a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.</p> <p>b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.</p> <p>23 Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:</p>	<p>The District's personnel are not subject to employment contracts. There were two instances in which the compensation rates were not properly documented in the employee file.</p> <p>There were no changes during the current year.</p>	<p>We will ensure that compensation rates get recorded in each employees personnel file.</p> <p><b><i>The results did not include findings or criticisms.</i></b></p>

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)</p>	<p>Attendance and leave were documented on time sheets.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.</p>	<p>There was one instance in which the time sheet was not signed by the supervisor.</p>	<p>We will ensure that supervisors review and approve all time sheets.</p>
<p>c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.</p>	<p>Leave taken as reported on time sheets was deducted from the employees leave balance maintained on their leave worksheet.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>24 Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.</p>	<p>Not applicable - The personnel policy does not allow for termination benefits.</p>	<p><i>The results did not include findings or criticisms.</i></p>



**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
25 Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.	<p>The reporting forms and payments for payroll taxes were submitted timely. Further details regarding retirement are below:</p> <ul style="list-style-type: none"><li>• The retirement contributions for the months of July, September, and April were not submitted timely.</li></ul>	We will strengthen our procedures and ensure that retirement is paid timely in order to decrease the amount of interest and penalties paid.

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Ethics</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>26 Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.</p>	<p>For the five employees selected results are as follows:</p> <ul style="list-style-type: none"> <li>• Four of the five employees did not have the ethics training.</li> </ul>	<p>Two of these employees are parttime firefighters, one is the animal warden, and one is an elected official. We are currently in the process of ensuring everyone has the ethics training.</p>
<p>27 Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.</p>	<p>According to management there were no alleged ethics violations.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p>

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

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<b>Debt Service</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
28 If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.	Not applicable, there was no new debt issued.	<i>The results did not include findings or criticisms.</i>
29 If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.	Operation of the utility system has not produced sufficient income to recover the costs of operations and service debt incurred to construct the utility system.	There has been substantial improvement in our utility revenues. We have cut costs and will continue to review the possibility of a utility rate increase.
30 If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.	Not applicable – there are no such bond issues.	<i>The results did not include findings or criticisms.</i>

**Town of Glenmora**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Other</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
31 Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	No misappropriations were identified.	<i>The results did not include findings or criticisms.</i>
32 Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at <a href="http://www.la.gov/hotline">www.la.gov/hotline</a> ) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.	The notice was posted December 12, 2017.	<i>The results did not include findings or criticisms.</i>
33 If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.	No exceptions were identified.	<i>The results did not include findings or criticisms.</i>