

TOWN OF ALBANY, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

Town of Albany
Annual Financial Statements
As of and for the Year Ended June 30, 2022
With Supplemental Information Schedules

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Town of Albany
Annual Financial Statements
As of and for the Year Ended June 30, 2022
With Supplemental Information Schedules

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Albany, Louisiana as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Albany, Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Albany, Louisiana as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Albany, Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Town of Albany, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Albany's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Albany, Louisiana's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

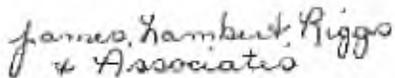
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 – 12 and 44 – 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Albany, Louisiana’s basic financial statements. The Combining Schedule of Revenues, Expenses, and Changes in Net Position; the Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Water Utility System; the Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Sewer Utility System; the Schedule of Water and Sewer Rates; the Schedule of Number of Customers; the Schedule of Insurance; the Schedule of Compensation Paid to Board Members; the Schedule of Compensation, Benefits, and Other Payments to Agency Head; the Schedule of Justice System Funding – Collecting / Disbursing Entity; and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedule of Revenues, Expenses, and Changes in Net Position; the Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Water Utility System; the Schedule of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual – Proprietary Fund Type – Sewer Utility System; the Schedule of Water and Sewer Rates; the Schedule of Number of Customers; the Schedule of Insurance; the Schedule of Compensation Paid to Board Members; the Schedule of Compensation, Benefits, and Other Payments to Agency Head; the Schedule of Justice System Funding – Collecting / Disbursing Entity; and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2022, on our consideration of the Town of Albany, Louisiana’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Albany, Louisiana’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Albany, Louisiana’s internal control over financial reporting and compliance.



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

December 1, 2022

Required Supplemental Information (Part I)

Management's Discussion and Analysis

Town of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2022

Introduction

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

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

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

Financial Highlights

- At June 30, 2022, the Town's assets exceeded its liabilities by \$10,010,883 (net position). Of this amount \$3,841,657 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens.
- For the year ended June 30, 2022, the Town's total net position increased by \$2,099,827.
- At June 30, 2022, the Town's governmental funds reported a combined ending fund balance of \$652,509, an increase of \$326,974 for the year. Of this amount, approximately 97% or \$633,691 is available for spending at the Town's discretion (unassigned fund balances).
- At June 30, 2022, the Town's proprietary fund reported ending net position of \$7,689,511, an increase of \$1,742,316 for the year. Of this amount, approximately 41 percent or \$3,157,796 is available for spending at the Town's discretion (unrestricted net position).

Overview of the Annual Financial Report

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

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

Town of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2022

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

Town of Albany, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2022**

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

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

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

Notes to the Financial Statements

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

Town of Albany, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2022**

Government-Wide Financial Analysis

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

**Net Position
2022 and 2021**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets:						
Current and Other Assets	\$ 751,720	\$ 409,914	\$ 3,363,140	\$ 3,144,251	\$ 4,114,860	\$ 3,554,165
Capital Assets	1,629,242	1,639,126	8,465,882	7,223,340	10,095,124	8,862,466
Total Assets	<u>2,380,962</u>	<u>2,049,040</u>	<u>11,829,022</u>	<u>10,367,591</u>	<u>14,209,984</u>	<u>12,416,631</u>
Liabilities:						
Long-Term Debt Outstanding	-	-	3,892,703	4,041,215	3,892,703	4,041,215
Other Liabilities	59,590	84,379	246,808	362,724	306,398	447,103
Total Liabilities	<u>59,590</u>	<u>84,379</u>	<u>4,139,511</u>	<u>4,403,939</u>	<u>4,199,101</u>	<u>4,488,318</u>
Net Position:						
Net Investment in Capital Assets	1,629,242	1,639,126	4,505,087	3,182,125	6,134,329	4,821,251
Restricted	8,269	8,112	26,628	26,693	34,897	34,805
Unrestricted	683,861	317,423	3,157,796	2,754,834	3,841,657	3,072,257
Total Net Position	<u>\$ 2,321,372</u>	<u>\$ 1,964,661</u>	<u>\$ 7,689,511</u>	<u>\$ 5,963,652</u>	<u>\$ 10,010,883</u>	<u>\$ 7,928,313</u>

Approximately 61.27% of the Town's net position reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately 0.35% of the Town's net position represents resources that are subject to external restriction on how they may be used. The Town's restricted net position consists of cash reserves required by revenue bond agreements and cash for customer deposits net of corresponding liabilities.

Approximately 38.38% of the Town's net position are unrestricted and may be used to meet the Town's ongoing obligations to its citizens.

Town of Albany, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2022**

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

The Town's activities increased its total net position by \$2,099,027 with governmental activities increasing net position by \$356,711 and business-type activities increasing net position by \$1,742,316.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 208,430	\$ 207,183	\$ 1,625,006	\$ 1,550,763	\$ 1,833,436	\$ 1,757,946
Operating Grants and Contributions	41,943	127,196	-	15,000	41,943	142,196
Capital Grants and Contributions	33,284	120,000	1,243,751	28,690	1,277,035	148,690
General Revenues	<u>1,208,884</u>	<u>813,629</u>	<u>5,450</u>	<u>1,584</u>	<u>1,214,334</u>	<u>815,213</u>
Total Revenues	<u>1,492,541</u>	<u>1,268,008</u>	<u>2,874,207</u>	<u>1,596,037</u>	<u>4,366,748</u>	<u>2,864,045</u>
Expenses:						
Governmental Activities	1,135,830	938,211	-	-	1,135,830	938,211
Business-Type Activities	-	-	<u>1,131,891</u>	<u>1,169,891</u>	<u>1,131,891</u>	<u>1,169,891</u>
Total Expenses	<u>1,135,830</u>	<u>938,211</u>	<u>1,131,891</u>	<u>1,169,891</u>	<u>2,267,721</u>	<u>2,108,102</u>
Change in Net Position Before Transfers and Contributions	356,711	329,797	1,742,316	426,146	2,099,027	755,943
Transfers (Out) In	-	(120,000)	-	120,000	-	-
Change in Net Position	<u>356,711</u>	<u>209,797</u>	<u>1,742,316</u>	<u>546,146</u>	<u>2,099,027</u>	<u>755,943</u>
Net Position, Beginning	1,964,661	1,754,864	5,963,652	5,417,506	7,928,313	7,172,370
Prior Period Adjustment	-	-	(16,457)	-	(16,457)	-
Net Position, Ending	<u>\$ 2,321,372</u>	<u>\$ 1,964,661</u>	<u>\$ 7,689,511</u>	<u>\$ 5,963,652</u>	<u>\$ 10,010,883</u>	<u>\$ 7,928,313</u>

Governmental Activities

The Town's governmental net position increased by \$356,711 to \$2,321,372. General revenues increased by \$395,255 due to receiving \$214,679 from the American Rescue Plan Act, an increase of \$95,269 from sales taxes, and FEMA reimbursements from Hurricane Ida of \$141,504.

Business-Type Activities

The Town's business-type net position increased by \$1,742,316 to \$7,689,511. The Town's capital grants and contributions increased by \$1,215,061 due to grant revenues from the U.S. Department of Commerce of \$723,949 and a grant from Weyerhaeuser of \$346,180 to build the wastewater treatment plant.

Town of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2022

Fund Financial Analysis

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

Governmental Funds

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

At the end of the current year, the Town's governmental funds reported combined ending fund balances of \$652,509. Of the total balance, \$633,691 is unassigned and available for spending at the Town's discretion and \$8,269 is restricted for the J&N Park. This represents an increase of \$326,974, or approximately 100% of the prior year's ending fund balances.

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

Proprietary Funds

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

General Fund Budgetary Highlights

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

- The Town increased its original budget for Sales and Use Taxes by \$78,900 due to increased sales taxes throughout the year.
- The Town budgeted for the American Rescue Plan Act of \$214,700.
- The Town created a budget for Hurricane Ida Expenses for \$35,000.

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

- The Town budgeted \$7,100 for FEMA reimbursements. The actual amounts were \$103,304 more than budgeted due to receiving FEMA reimbursements for Hurricane Ida.

Town of Albany, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2022**

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$10,095,124 (net of depreciation). The total increase in the Town's investment in capital assets for the current fiscal year was \$1,232,658 (net of depreciation).

Major capital asset events during the current year included the construction of the new wastewater treatment plant of \$1,164,783 during the June 30, 2022 fiscal year.

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

**Capital Assets (Net of Depreciation)
2022 and 2021**

Capital Assets	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 43,850	\$ 43,850	\$ 130,429	\$ 130,429	\$ 174,279	\$ 174,279
Construction in Progress	-	-	1,487,102	173,977	1,487,102	173,977
Buildings	1,092,190	1,088,090	108,518	108,518	1,200,708	1,196,608
Improvements	163,868	163,868	-	-	163,868	163,868
Vehicles and Equipment	654,900	549,460	332,147	318,648	987,047	868,108
Infrastructure - Sidewalks	322,153	322,153	-	-	322,153	322,153
Water Utility System	-	-	7,928,526	7,690,996	7,928,526	7,690,996
Sewer Utility System	-	-	4,498,625	4,470,403	4,498,625	4,470,403
Subtotal Capital Assets	2,276,961	2,167,421	14,485,347	12,892,971	16,762,308	15,060,392
Less: Accumulated Depreciation	(647,719)	(528,295)	(6,019,465)	(5,669,631)	(6,667,184)	(6,197,926)
Capital Assets, Net	\$ 1,629,242	\$ 1,639,126	\$ 8,465,882	\$ 7,223,340	\$ 10,095,124	\$ 8,862,466

Town of Albany, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2022**

Long-Term Debt

At June 30, 2022, the Town had total debt outstanding of \$3,935,000. Of this total, \$150,000 is due within one year and \$3,785,000 is due within greater than one year. The following table provides a summary of the Town's outstanding debt at the end of the current year as compared to the prior year. For more detailed information, see Note 10 to the financial statements in this report.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Long-Term Obligations</u>
	<u>Capital</u>		<u>Capital</u>		
	<u>Leases</u>	<u>Revenue Bonds</u>	<u>Leases</u>	<u>Revenue Bonds</u>	
Current Portion	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000
Long-Term Portion	-	-	-	3,785,000	3,785,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,935,000</u>	<u>\$ 3,935,000</u>

Other Factors Affecting the Town

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

Contacting the Town's Financial Management

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

Basic Financial Statements
Government-Wide Financial Statements

Town of Albany, Louisiana

Statement A

Statement of Net Position
As of June 30, 2022

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 582,167	\$ 2,471,032	\$ 3,053,199
Receivables, Net:			
Intergovernmental	51,370	-	51,370
Accounts	38	210,067	210,105
FEMA	39,621	-	39,621
Franchise Taxes	15,740	-	15,740
Insurance Premium Tax	22,627	-	22,627
Grants Receivable	-	470,467	470,467
Prepaid Insurance	10,549	19,764	30,313
Internal Balances	21,339	(21,339)	-
Inventory	-	20,000	20,000
Total Current Assets	<u>743,451</u>	<u>3,169,991</u>	<u>3,913,442</u>
Restricted Assets:			
Restricted Cash and Cash Equivalents	<u>8,269</u>	<u>171,352</u>	<u>179,621</u>
Total Restricted Assets	<u>8,269</u>	<u>171,352</u>	<u>179,621</u>
Capital Assets:			
Land	43,850	130,429	174,279
Construction in Progress	-	1,487,103	1,487,103
Capital Assets, Net	<u>1,585,392</u>	<u>6,848,350</u>	<u>8,433,742</u>
Total Capital Assets	<u>1,629,242</u>	<u>8,465,882</u>	<u>10,095,124</u>
Other Assets			
Bond Issue Insurance Costs	-	21,797	21,797
Total Other Assets	<u>-</u>	<u>21,797</u>	<u>21,797</u>
Total Assets	<u>2,380,962</u>	<u>11,829,022</u>	<u>14,209,984</u>
Liabilities			
Current Liabilities:			
Accounts Payable	32,385	17,406	49,791
Accrued Interest	-	14,909	14,909
Accrued Salaries	10,165	5,736	15,901
Accrued Vacation	13,593	8,592	22,185
Other Accrued Liabilities	3,447	2,258	5,705
Construction Payable	-	39,734	39,734
Retainage Payable	-	28,358	28,358
Customer Deposits	-	129,815	129,815
Bonds Payable	-	150,000	150,000
Total Current Liabilities	<u>59,590</u>	<u>396,808</u>	<u>456,398</u>
Long Term Liabilities:			
Bonds Payable	<u>-</u>	<u>3,742,703</u>	<u>3,742,703</u>
Total Long Term Liabilities	<u>-</u>	<u>3,742,703</u>	<u>3,742,703</u>
Total Liabilities	<u>59,590</u>	<u>4,139,511</u>	<u>4,199,101</u>
Net Position			
Net Investment in Capital Assets	1,629,242	4,505,087	6,134,329
Restricted for:			
Capital Projects and Debt Service	8,269	26,628	34,897
Unrestricted	683,861	3,157,796	3,841,657
Total Net Position	<u>\$ 2,321,372</u>	<u>\$ 7,689,511</u>	<u>\$ 10,010,883</u>

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement B

Statement of Activities
For the Year Ended June 30, 2022

	Program Revenues				Net (Expenses) Revenues	Net (Expenses) Revenues and Changes of Primary Government		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions		Governmental Activities	Business- Type Activities	Total
Governmental Activities								
General Government	\$ 355,270	\$ -	\$ -	\$ -	\$ (355,270)	\$ (355,270)	\$ -	\$ (355,270)
Public Safety	585,993	208,430	36,392	-	(341,171)	(341,171)	-	(341,171)
Public Works - Streets	187,169	-	-	33,284	(153,885)	(153,885)	-	(153,885)
Park	2,898	-	5,551	-	2,653	2,653	-	2,653
Court Cost	4,500	-	-	-	(4,500)	(4,500)	-	(4,500)
Total Governmental Activities	<u>\$ 1,135,830</u>	<u>\$ 208,430</u>	<u>\$ 41,943</u>	<u>\$ 33,284</u>	<u>\$ (852,173)</u>	<u>\$ (852,173)</u>	<u>\$ -</u>	<u>\$ (852,173)</u>
Business-type Activities								
Water	\$ 812,069	\$ 1,448,765	\$ -	\$ 20,000	\$ 656,696	-	656,696	656,696
Sewer	319,822	176,241	-	1,223,751	1,080,170	-	1,080,170	1,080,170
Total Business-type Activities	<u>\$ 1,131,891</u>	<u>\$ 1,625,006</u>	<u>\$ -</u>	<u>\$ 1,243,751</u>	<u>\$ 1,736,866</u>	<u>\$ -</u>	<u>\$ 1,736,866</u>	<u>\$ 1,736,866</u>
General Revenues:								
Taxes:								
Property Taxes						52,320	-	52,320
Sales Taxes						614,984	-	614,984
Franchise Taxes						61,257	-	61,257
Insurance Premium						53,497	-	53,497
Alcoholic Beverage Tax						4,600	-	4,600
Licenses and Permits						56,931	-	56,931
Intergovernmental - FEMA						150,025	-	150,025
American Rescue Funds						214,679	-	214,679
Interest Income						122	5,450	5,572
Miscellaneous						469	-	469
Total General Revenues						<u>1,208,884</u>	<u>5,450</u>	<u>1,214,334</u>
Change in Net Position						<u>356,711</u>	<u>1,742,316</u>	<u>2,099,027</u>
Net Position - Beginning						1,964,661	5,963,652	7,928,313
Prior Period Adjustment						-	(16,457)	(16,457)
Net Position - Beginning, Restated						<u>1,964,661</u>	<u>5,947,195</u>	<u>7,911,856</u>
Net Position - Ending						<u>\$ 2,321,372</u>	<u>\$ 7,689,511</u>	<u>\$ 10,010,883</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

Town of Albany, Louisiana
Balance Sheet, Governmental Funds
As of June 30, 2022

Statement C

	General Fund	Total Governmental Funds
Assets		
Cash and Equivalents	\$ 582,167	\$ 582,167
Receivables, Net:		
FEMA	39,621	39,621
Franchise Taxes	15,740	15,740
Sales Taxes	50,084	50,084
Insurance Premium Tax	22,627	22,627
Other	1,324	1,324
Due From Other Funds	21,339	21,339
Prepaid Insurance	10,549	10,549
Restricted Cash	8,269	8,269
Total Assets	\$ 751,720	\$ 751,720
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	\$ 32,385	\$ 32,385
Accrued Salaries	10,165	10,165
Accrued Vacation	13,593	13,593
Other Accrued Liabilities	3,447	3,447
Total Liabilities	59,590	59,590
Deferred Inflows of Resources		
Uncollected Grant Receivable	39,621	39,621
Total Deferred Inflows of Resources	39,621	39,621
Fund Balance:		
Nonspendable, Prepaid Insurance	10,549	10,549
Restricted	8,269	8,269
Unassigned	633,691	633,691
Total Fund Balance	652,509	652,509
Total Liabilities and Fund Balance	\$ 751,720	\$ 751,720

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement D

**Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of June 30, 2022**

Fund Balances, Total Governmental Funds (Statement C) \$ 652,509

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

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

Governmental capital assets net of depreciation 1,629,242

Deferred inflows of resources - uncollected grant receivables are not reported on government-wide financial statements 39,621

Net Position of Governmental Activities (Statement A) \$ 2,321,372

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement E

Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Revenues		
Taxes	\$ 782,058	\$ 782,058
Licenses and Permits	56,931	56,931
Intergovernmental	36,567	36,567
FEMA Reimbursements	110,404	110,404
American Rescue Funds	214,679	214,679
Fines and Forfeitures	208,430	208,430
State and Local Grants	34,509	34,509
Interest	122	122
Donations	8,751	8,751
Miscellaneous	469	469
Total Revenues	<u>1,452,920</u>	<u>1,452,920</u>
Expenditures		
General Government	312,031	312,031
Public Safety:		
Police	535,049	535,049
Fire	5,000	5,000
Mayor's Court	4,500	4,500
Public Works - Streets	158,745	158,745
Park Expenditures	1,081	1,081
Capital Outlays	109,540	109,540
Total Expenditures	<u>1,125,946</u>	<u>1,125,946</u>
Net Change in Fund Balance	<u>326,974</u>	<u>326,974</u>
Fund Balance, Beginning	325,535	325,535
Fund Balance, Ending	<u>\$ 652,509</u>	<u>\$ 652,509</u>

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement F

**Reconciliation of the Statement Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022**

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ 326,974

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

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

Capital Outlay	109,540
Depreciation Expense	(119,424)

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

Change in Uncollected Grant Receivable	39,621
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Change in Net Position of Governmental Activities, Statement B \$ 356,711

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement G

Statement of Net Position – Proprietary Funds
As of June 30, 2022

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 2,416,089	\$ 54,943	\$ 2,471,032
Receivables, Net:			
Accounts	182,474	27,593	210,067
Grants Receivable	80,258	390,209	470,467
Prepaid Expenses	18,848	916	19,764
Inventory	20,000	-	20,000
Due from Sewer Fund	583,676	-	583,676
Total Current Assets	<u>3,301,345</u>	<u>473,661</u>	<u>3,775,006</u>
Restricted Assets:			
Restricted Cash and Cash Equivalents	167,498	3,854	171,352
Total Restricted Assets	<u>167,498</u>	<u>3,854</u>	<u>171,352</u>
Property, Plant, and Equipment			
Land	130,429	-	130,429
Construction in Progress	13,862	1,473,241	1,487,103
Property, Plant and Equipment, Net	5,030,880	1,817,470	6,848,350
Total Property, Plant, and Equipment	<u>5,175,171</u>	<u>3,290,711</u>	<u>8,465,882</u>
Other Assets			
Bond Issue Insurance Costs	19,694	2,103	21,797
Total Other Assets	<u>19,694</u>	<u>2,103</u>	<u>21,797</u>
Total Assets	<u>8,663,708</u>	<u>3,770,329</u>	<u>12,434,037</u>
Liabilities			
Current Liabilities (Payable From Current Assets):			
Accounts Payable	13,746	3,660	17,406
Accrued Salary	3,755	1,981	5,736
Accrued Vacation	5,365	3,227	8,592
Other Accrued Payables	2,258	-	2,258
Construction Payable	13,862	25,872	39,734
Retainage Payable	-	28,358	28,358
Due To General Fund	17,569	3,770	21,339
Due To Water Fund	-	583,676	583,676
Total Current Liabilities (Payable From Current Assets)	<u>56,555</u>	<u>650,544</u>	<u>707,099</u>
Current Liabilities (Payable From Restricted Assets):			
Customer Deposits	129,815	-	129,815
Accrued Interest	13,470	1,439	14,909
Revenue Bonds Payable	135,532	14,468	150,000
Total Current Liabilities (Payable From Restricted Assets)	<u>278,817</u>	<u>15,907</u>	<u>294,724</u>
Long Term Liabilities:			
Bonds Payable	3,381,719	360,984	3,742,703
Total Long Term Liabilities	<u>3,381,719</u>	<u>360,984</u>	<u>3,742,703</u>
Total Liabilities	<u>3,717,091</u>	<u>1,027,435</u>	<u>4,744,526</u>
Net Position			
Net Investment in Capital Assets	1,644,058	2,861,029	4,505,087
Restricted for:			
Debt Service	24,213	2,415	26,628
Unrestricted	3,278,346	(120,550)	3,157,796
Total Net Position	<u>\$ 4,946,617</u>	<u>\$ 2,742,894</u>	<u>\$ 7,689,511</u>

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement H

Statement of Revenues, Expenses and
Change of Net Position – Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities-		
	Enterprise Funds		
	Water	Sewer	Total
Operating Revenues			
Water Sales	\$ 1,282,082	\$ -	\$ 1,282,082
Sewer Service Charges	-	168,879	168,879
Other	166,683	-	166,683
Total Operating Revenues	<u>1,448,765</u>	<u>168,879</u>	<u>1,617,644</u>
Operating Expenses			
Salaries and Wages	168,412	83,565	251,977
Advertising	492	-	492
Bad Debt	28,104	11,896	40,000
Bank Charges	2,500	-	2,500
Computer	539	-	539
Contract Service	3,700	5,120	8,820
Depreciation	223,257	126,577	349,834
DHH Fees	26,733	-	26,733
Insurance	16,477	2,050	18,527
Payroll Taxes	12,678	6,394	19,072
Postage	11,818	-	11,818
Professional Fees	47,916	5,959	53,875
Repairs and Maintenance	23,548	22,339	45,887
Retirement	2,416	-	2,416
Supplies	92,476	-	92,476
Telephone	1,658	-	1,658
Training	1,929	-	1,929
Uniforms	5,868	-	5,868
Utilities	15,305	42,694	57,999
Vehicle Expenses	32,123	-	32,123
Workers Compensation	7,028	6,223	13,251
Other	653	-	653
Total Operating Expenses	<u>725,630</u>	<u>312,817</u>	<u>1,038,447</u>
Operating Income (Loss)	<u>723,135</u>	<u>(143,938)</u>	<u>579,197</u>
Nonoperating Revenues (Expenses)			
Interest Income	5,450	-	5,450
Bond Interest Expense	(86,439)	(7,005)	(93,444)
Billing Fees	-	7,362	7,362
Total Nonoperating Revenues (Expenses)	<u>(80,989)</u>	<u>357</u>	<u>(80,632)</u>
Income (Loss) Before Transfers & Capital Contributions	642,146	(143,581)	498,565
Transfers and Capital Contributions			
Capital Grants	20,000	1,223,751	1,243,751
Change in Net Position	<u>662,146</u>	<u>1,080,170</u>	<u>1,742,316</u>
Net Position, Beginning	4,284,471	1,679,181	5,963,652
Prior Period Adjustment	-	(16,457)	(16,457)
Net Position, Beginning - Restated	<u>4,284,471</u>	<u>1,662,724</u>	<u>5,947,195</u>
Total Net Position, Ending	<u>\$ 4,946,617</u>	<u>\$ 2,742,894</u>	<u>\$ 7,689,511</u>

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement I

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2022

	Business-Type Activities- Enterprise Funds		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cash Flows From Operating Activities			
Received From Customers	\$ 1,462,464	\$ 166,158	\$ 1,628,622
Received for Meter Deposit Fees	2,475	-	2,475
Payments for Operations	(315,402)	(95,104)	(410,506)
Payments to Employees	<u>(182,257)</u>	<u>(89,976)</u>	<u>(272,233)</u>
Net Cash Provided (Used) by Operating Activities	<u>967,280</u>	<u>(18,922)</u>	<u>948,358</u>
Cash Flows From Noncapital Financing Activities			
Billing Fees	-	7,362	7,362
(Payments for) Received from Interfund Services	<u>(435,854)</u>	<u>428,488</u>	<u>(7,366)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(435,854)</u>	<u>435,850</u>	<u>(4)</u>
Cash Flows From Capital and Related Financing Activities			
Capital Grants Received	28,842	884,416	913,258
(Payments for) Capital Acquisitions	(244,282)	(1,280,005)	(1,524,287)
Principal (Repayments) Long Term Debt	(135,525)	(14,475)	(150,000)
Interest Payments for Long Term Debt	<u>(85,553)</u>	<u>(6,908)</u>	<u>(92,461)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(436,518)</u>	<u>(416,972)</u>	<u>(853,490)</u>
Cash Flows From Investing Activities			
Receipt of Interest	<u>5,450</u>	<u>-</u>	<u>5,450</u>
Net Cash Provided (Used) by Investing Activities	<u>5,450</u>	<u>-</u>	<u>5,450</u>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	100,358	(44)	100,314
Cash and Cash Equivalents, Beginning of Year	<u>2,483,229</u>	<u>58,841</u>	<u>2,542,070</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,583,587</u>	<u>\$ 58,797</u>	<u>\$ 2,642,384</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net			
Cash and Cash Equivalents, Unrestricted	\$ 2,416,089	\$ 54,943	\$ 2,471,032
Cash and Cash Equivalents, Restricted	<u>167,498</u>	<u>3,854</u>	<u>171,352</u>
Total Cash and Cash Equivalents	<u>\$ 2,583,587</u>	<u>\$ 58,797</u>	<u>\$ 2,642,384</u>

(Continued)

The accompanying notes are an integral part of this statement.

Town of Albany, Louisiana

Statement I

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2022

	Business-Type Activities- Enterprise Funds		
	Water	Sewer	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)			
Operating Income (Loss)	\$ 723,135	\$ (143,938)	\$ 579,197
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	223,257	126,577	349,834
(Increase) decrease in Accounts Receivable	13,699	(2,721)	10,978
(Increase) decrease in Prepaid Expenses	(17,367)	(56)	(17,423)
(Increase) decrease in Inventory	29,280	-	29,280
Increase (decrease) in Accounts Payable	(8,398)	1,233	(7,165)
Increase (decrease) in Accrued Payables	1,199	(17)	1,182
Increase (decrease) in Customer Deposits	2,475	-	2,475
Net Cash Provided by Operating Activities	<u>\$ 967,280</u>	<u>\$ (18,922)</u>	<u>\$ 948,358</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2022

Introduction

The Town of Albany, Louisiana (formerly the Village of Albany and hereinafter referred to as the “Town”) was incorporated October 7, 1953, under provision of the Lawrason Act (LSA-RS33:321). The Town operates under a Mayor / Board of Aldermen form of government. The Mayor and each of five councilmen are elected at large for four-year terms. The Mayor and Council are compensated each month; in addition, the Mayor receives a salary. The Town is located approximately 30 miles east of Baton Rouge, Louisiana, on LA Highway 43 (Montpelier Avenue) south of Interstate 12, with U.S. Highway 190 intersecting the northern part of the Town. The Town’s total population was 1,235, as reported by the U.S. Census Bureau, Census 2020. The Town provides police protection, services to maintain and develop streets, drainage, and sanitation, general and administrative services, and utilities services for area residents. The Town provides services to 2,387 water customers and 526 sewer customers inside and outside of the Town limits. The Town employs seventeen full-time and two part-time employees in addition to the Mayor and Council.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

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

Governmental Accounting Standards Board (GASB) Statement No. 61 established criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provision of this statement, the Town is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 61, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Since the Town has no component units, these financial statements include only information on the primary government.

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

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2022

year ending June 30, 2013. The Town recorded deferred inflows of resources of \$39,621 in its general fund at June 30, 2022.

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

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

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

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

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

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

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

The Town reports the following major governmental funds:

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

Town of Albany, Louisiana
Notes to the Financial Statements
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The Town reports the following major proprietary fund:

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

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

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

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

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

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

C. Deposits and Investments

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

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

D. Receivables and Payables

Activity between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2022

between funds are reported as “due to / from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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

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

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Corporate Purposes	7.04 mills	7.04 mills	None

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

E. Unearned Revenues

The Town reports unearned revenue on its government-wide and fund financial statements. Unearned revenues arise when potential revenue does not meet both “measurable” and “available” criteria for recognition in the current period (fund financial statements). Unearned revenues also arise when resources are unearned by the Town and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized.

F. Inventories and Prepaid Items

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

G. Restricted Assets

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

H. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Effective for the fiscal year 2021, the Town no longer capitalizes interest during the construction period on a prospective basis as per GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

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

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

I. Compensated Absences

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

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

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

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

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

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

J. Long-Term Debt Offerings

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expensed in the period incurred under GASB Statement No. 65.

The Town has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, are revised. This standard was intended to complement GASB Statement No. 63

Town of Albany, Louisiana
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Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65.

GASB Statement No. 23, as amended, establishes accounting and financial reporting for current refundings and advance refundings resulting in defeasance of debt. Refundings involve the issuance of new debt whose proceeds are used to repay previously issued (“old”) debt. The new debt proceeds may be used to repay the old debt immediately (a current refunding); or the new debt proceeds may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding).

For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

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

K. Net Position and Fund Balance

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

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

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

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

L. Extraordinary and Special Items

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

M. Estimates

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

N. Reconciliations of Government-Wide and Fund Financial Statements

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

O. Adoption of New Accounting Pronouncements

The Town adopted GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statements users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2022

2. Stewardship, Compliance and Accountability

The Town uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits it to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

For the year ended June 30, 2022, actual revenues and other sources exceeded budgeted revenues and other sources. The Town’s actual expenditures were less than budgeted expenditures and other uses.

3. Cash and Cash Equivalents

At June 30, 2022, the Town has cash and cash equivalents (book balances) as follows:

	June 30, 2022
Cash on Hand	\$ 25
Demand Deposits	641,642
Louisiana Asset Management Pool (LAMP)	2,591,153
	\$ 3,232,820

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the

Town of Albany, Louisiana
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amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. The Town does not have a formal policy for custodial risk. At June 30, 2022, the Town has \$3,224,140 in deposits. Collected bank balances, other than LAMP, consisted of \$632,717 in demand deposits. The demand deposits are secured by \$250,000 of federal deposit insurance. The remaining \$382,717 of deposits are exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

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

The Town, at June 30, 2022, also recorded deposits related to its debt service fund. The deposits totaled \$39,947 which are for the Series 2020 Water & Sewer Refunding Bonds. Under the terms of the agreement, the bank maintains control of the funds and disburses at the Town's request. All funds are fully collateralized by the Trust Department of the respective bank.

4. Investments

Investments are categorized into these three categories of credit risk:

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

In accordance with GASB Codification Section I50.165, the investment in LAMP at June 30, 2022, is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investment in LAMP is stated at the value of the pool shares, which is the same as the fair value, and has been categorized as cash equivalents. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprised of the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

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

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

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

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

1. Credit risk: LAMP is rated AAA by Standard and Poor's
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement per paragraph 15 of the GASB 40 statement. However, LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments, as provided by LAMP, is 56 days as of June 30, 2022.
5. Foreign currency risk: Not applicable to 2a7-like pools.

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

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

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

5. Receivables

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

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise taxes, occupational licenses, fines, and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions, collectible but not available, are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available. Proprietary fund revenues

Town of Albany, Louisiana
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consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

The Governmental Fund receivables at June 30, 2022 consist of the following:

Government Receivables	<u>General Fund</u>	<u>Total</u>
Taxes:		
Public Utility Franchise	\$ 15,740	\$ 15,740
Insurance Premium Tax	22,627	22,627
Sales and Use	50,084	50,084
Intergovernmental:		
State of Louisiana, Beer Tax	1,286	1,286
Fema Receivable	39,621	39,621
Other Receivable	38	38
Total Government Receivables	<u>\$ 129,396</u>	<u>\$ 129,396</u>

The Enterprise Fund accounts receivable at June 30, 2022 consist of the following:

	<u>Year Ended</u> <u>June 30, 2022</u>
Accounts Receivable	
Current	\$ 145,615
31 - 60 Days	(1,874)
61 - 90 Days	3,050
Over 90 Days	<u>60,675</u>
Subtotal	207,466
Less Allowance for Bad Debt	<u>(60,000)</u>
Accounts Receivables, Net	<u>147,466</u>
Accrued Billings	<u>62,601</u>
Total Accounts Receivable	<u>\$ 210,067</u>

The Town currently has \$470,467 in Grants Receivable. The Town is expected to receive from FEMA \$98,630 for repairs to the sewer pond completed in 2020, and \$89,100 for rental expense of the temporary town hall after the flood in 2016.

The Town is constructing a lift station and sewer pipeline. The Town has a receivable of \$106,557 from the U.S. Department of Commerce Economic Development Administration and \$76,180 from Weyerhaeuser as of June 30, 2022.

The Town is constructing a chlorine contact chamber. The Town has a receivable for a \$100,000 from the State of Louisiana under Act 119.

Town of Albany, Louisiana
Notes to the Financial Statements
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6. Interfund Receivables / Payables

Interfund receivables or payables in the fund financial statements were as follows as of June 30, 2022.

	Due From Other Funds	Due To Other Funds
General Fund	\$ 21,339	\$ -
Enterprise Fund	-	21,339
	\$ 21,339	\$ 21,339

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

7. Restricted Assets

Restricted assets for the Enterprise Fund at June 30, 2022 were as follows:

	June 30, 2022
Restricted Cash and Cash Equivalents	
General Fund-Parks	\$ 8,269
Total Restricted Assets	\$ 8,269

Restricted assets for the Enterprise Fund at June 30, 2022 were as follows:

	June 30 2022
Restricted Cash and Cash Equivalents	
Customer Deposits	\$ 131,405
Debt Service Fund	39,945
Debt Service Reserve	2
Total Restricted Assets	\$ 171,352

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

Town of Albany, Louisiana
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8. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2022 for governmental activities is as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities Capital Assets:				
Capital Assets Not Being Depreciated:				
Land	\$ 43,850	\$ -	\$ -	\$ 43,850
Total Capital Assets Not Being Depreciated	<u>43,850</u>	<u>-</u>	<u>-</u>	<u>43,850</u>
Capital Assets Being Depreciated:				
Buildings	1,088,090	4,100	-	1,092,190
Improvements	163,868	-	-	163,868
Vehicles and Equipment	549,460	105,440	-	654,900
Infrastructure - Sidewalks	<u>322,153</u>	<u>-</u>	<u>-</u>	<u>322,153</u>
Total Capital Assets Being Depreciated	<u>2,123,571</u>	<u>109,540</u>	<u>-</u>	<u>2,233,111</u>
Less Accumulated Depreciation for:				
Buildings	(51,577)	(28,375)	-	(79,952)
Improvements	(4,148)	(8,000)	-	(12,148)
Vehicles and Equipment	(227,006)	(70,596)	-	(297,602)
Infrastructure - Sidewalks	<u>(245,564)</u>	<u>(12,453)</u>	<u>-</u>	<u>(258,017)</u>
Total Accumulated Depreciation	<u>(528,295)</u>	<u>(119,424)</u>	<u>-</u>	<u>(647,719)</u>
Total Capital Assets Being Depreciated, Net	<u>1,595,276</u>	<u>(9,884)</u>	<u>-</u>	<u>1,585,392</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 1,639,126</u>	<u>\$ (9,884)</u>	<u>\$ -</u>	<u>\$ 1,629,242</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 43,239
Park	1,818
Public Safety	45,943
Public Works	<u>28,424</u>
	<u>\$ 119,424</u>

Town of Albany, Louisiana
Notes to the Financial Statements
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Capital assets and depreciation activity as of and for the year ended June 30, 2022 for business-type activities is as follows:

Business - Type Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 130,429	\$ -	\$ -	\$ 130,429
Construction in Progress	173,978	1,313,125	-	1,487,103
Total Capital Assets Not Being Depreciated	304,407	1,313,125	-	1,617,532
Capital Assets Being Depreciated:				
Buildings and Improvements	108,518	-	-	108,518
Vehicles and Equipment	318,647	13,499	-	332,146
Water Utility System	7,690,996	237,530	-	7,928,526
Sewer Utility System	4,470,403	28,222	-	4,498,625
Total Capital Assets Being Depreciated	12,588,564	279,251	-	12,867,815
Less Accumulated Depreciation for:				
Buildings and Improvements	(57,552)	(3,841)	-	(61,393)
Vehicles and Equipment	(255,450)	(17,100)	-	(272,550)
Water Utility System	(2,778,708)	(212,787)	-	(2,991,495)
Sewer Utility System	(2,577,921)	(116,106)	-	(2,694,027)
Total Accumulated Depreciation	(5,669,631)	(349,834)	-	(6,019,465)
Total Capital Assets Being Depreciated, Net	6,918,933	(70,583)	-	6,848,350
Total Business - Type Activities Capital Assets, Net	\$ 7,223,340	\$ 1,242,542	\$ -	\$ 8,465,882

Construction in progress consists of \$1,338,761 to construct a lift station and sewer pipeline. The project has been completed after June 30, 2022. The Town has started the construction of a chlorine contact chamber. The amount of construction in progress for the chlorine contact chamber as of June 30, 2022 is \$134,480 and the total project cost is estimated to be \$174,900. The Town has incurred engineering fees of \$13,862 for a waterline extension project along Highway 43.

9. Accounts, Salaries, and Other Payables

Short term payables at June 30, 2022 are as follows:

	General Fund	Enterprise Fund	Total
Accounts	\$ 32,385	\$ 17,406	\$ 49,791
Accrued Interest	-	14,909	14,909
Accrued Payroll Taxes	3,447	-	3,447
Other Accrued Payables	-	2,258	2,258
Accrued Vacation	13,593	8,592	22,185
Accrued Salaries	10,165	5,736	15,901
Construction Payable	-	39,734	39,734
Retainage Payable	-	28,358	28,358
Total	\$ 59,590	\$ 116,993	\$ 176,583

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2022

10. Long-Term Obligations

The following is a summary of long-term obligation transactions for the year ended June 30, 2022:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water and Sewer Revenue Refunding				
Bonds, Series 2020	\$ 4,085,000	\$ -	\$ (150,000)	\$ 3,935,000
Total Bonds	<u>4,085,000</u>	<u>-</u>	<u>(150,000)</u>	<u>3,935,000</u>
Less: Unamortized Discount	43,785	-	(1,488)	42,297
Total Long-Term Debt	<u>\$ 4,041,215</u>	<u>\$ -</u>	<u>\$ (148,512)</u>	<u>\$ 3,892,703</u>

Bonds Payable as of June 30, 2022 are as follows:

	<u>Bonds Payable End of Year</u>	<u>Due Within One Year</u>
Water and Sewer Revenue Refunding Bonds \$4,165,000		
Series 2020 Refunding bonds sold to private lender, Dated 11/14/2020		
due in semi- annual installments of principal and interest averaging \$191,190		
through 05/01/2050 interest at ranges from 2.00 to 2.64%	\$ 3,935,000	\$ 150,000
	<u>\$ 3,935,000</u>	<u>\$ 150,000</u>

On November 24, 2020 the Town issued Water and Sewer Revenue Refunding Bonds, Series 2020 in the amount of \$4,165,000. The purpose of the Series 2020 bonds were issued for the purposes of currently refunding the Town's (a) \$575,000 Water Revenue Bonds, Series 1988, (b) \$455,000 Sewer Revenue Bonds, Series 1993, (c) \$191,000 Water Revenue Bond, Series 2006, and (d) \$3,706,000 Water Revenue Bonds, Series 2010. The Series 2020 Refunding Bonds were used to repay the old debt immediately (a current refunding). The Series 2020 refunding bonds were issued at a discount of \$44,653. Bond issuance costs were \$140,599.

The annual requirements to amortize all bonded debt outstanding at June 30, 2022 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 150,000	\$ 89,456	\$ 239,456
2024	155,000	86,457	241,457
2025	155,000	83,357	238,357
2026	160,000	80,256	240,256
2027	165,000	77,056	242,056
2028 to 2032	705,000	339,469	1,044,469
2033 to 2037	605,000	269,294	874,294
2038 to 2042	655,000	200,656	855,656
2043 to 2047	725,000	116,781	841,781
2048 to 2050	460,000	24,281	484,281
	<u>\$ 3,935,000</u>	<u>\$ 1,367,063</u>	<u>\$ 5,302,063</u>

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2022

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

The Issuer covenants to fix, establish, maintain and collect, so long as any principal and interest is unpaid on the Bonds, such rates, fees, rents or other charges for the services and facilities of the Combined Utility Enterprise System, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide Combined Utility Enterprise Fund Net Revenues in each Fiscal Year sufficient to (i) make payments and deposits required by this Bond Ordinance for the payment of the principal and interest on the Bonds and any Additional Parity Obligations issued hereafter; (ii) equal one hundred twenty percent (120%) of the required deposits to the debt service funds established for the security and payment of the Bonds and any Additional Parity Obligations; (iii) make all other payments required by this Bond Ordinance; and (iv) pay all other obligations or indebtedness payable out of the Combined Utility Enterprise Fund Net Revenues for such Fiscal Year. The Issuer further covenants that such rates, fees, rents, or other charges shall not at any time be reduced so as to be insufficient to provide adequate revenues for such purposes.

There is hereby established to be maintained with the Paying Agent, a separately identifiable fund or account, designated the "*Series 2020 Water and Sewer Revenue Refunding Bond Debt Service Fund*" (the "*Debt Service Fund*"). On or before the twentieth (20th) day of each month, or, if such day is not a Business Day, the next succeeding Business Day, commencing on December 20, 2020, the Issuer shall transfer or cause to be transferred to the Debt Service Fund, one-fifth (1/5) of the amount required to pay principal and interest payable on the Bonds on May 1, 2021 and commencing May 20, 2021, the Issuer shall transfer or cause to be transferred to the Debt Service Fund one-sixth (1/6) of the amount required to pay interest payable on the Bonds on the next Interest Payment Date and one-twelfth (1/12) of the amount required to pay principal payable on the Bonds on the next Principal Payment Date.

In lieu of funding a Debt Service Reserve Fund, the Town has purchased a Reserve Fund Alternate Investment in the form of a Municipal Debt Service Reserve Insurance Policy issued by the Bond Issuer.

12. Pension Plans

The Town participates in a Simple IRA Retirement Plan administered by Edward Jones. The plan covers employees who are reasonably expected to earn five thousand dollars in compensation for the calendar year. The Town will contribute a matching contribution of three percent for each employee's annual income. Retirement expense for the year ended June 30, 2022 was \$7,958.

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

At June 30, 2022, the proprietary fund had restricted net position of \$26,628, representing the Town's funds restricted by revenue bond debt covenants and contracts with customers for meter deposits, net of the related liability.

14. Risk Management

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

Town of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2022

15. Contingent Liabilities

At June 30, 2022, the Town was not involved in any outstanding litigation or claims requiring adjustment or disclosure.

16. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2022, the State of Louisiana made on behalf payments in the form of supplemental pay to the Town's policemen. In accordance with GASB 24, the Town recorded \$31,967 of on-behalf payments as revenue and as an expenditure in the General Fund.

17. Prior Period Adjustment

The Town made a prior period adjustment to adjust prior year grant revenues for an EDA grant. The net effect of this prior period adjustment was a \$16,457 increase to Capital Grants (Sewer Fund) and a decrease in Net Position (Sewer Fund) from \$1,679,181 to \$1,662,724. Ending Net Position (Sewer) was not changed as a result of this entry.

18. Subsequent Events

Subsequent events have been evaluated by management through December 1, 2022, the date the financial statements were available for issuance. The following events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2022.

Required Supplemental Information (Part II)

Town of Albany, Louisiana

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
General Fund
For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable</u>
Revenues				
Taxes:				
Sales and Use Taxes	\$ 520,900	\$ 599,800	\$ 614,984	\$ 15,184
Ad Valorem Tax	40,000	51,000	52,320	1,320
Public Utility Franchise Taxes	57,000	59,700	61,257	1,557
Taxes on Insurance Premiums	50,000	50,000	53,497	3,497
Licenses, Permits and Fees:				
Business Licenses	53,500	53,500	56,931	3,431
Intergovernmental:				
FEMA Reimbursements	-	7,100	110,404	103,304
Louisiana Beer Tax Distribution	4,500	4,500	4,600	100
Police Revenue:				
Fines and Forfeitures	150,000	206,900	208,430	1,530
State Supplemental Pay	32,000	30,000	31,967	1,967
Donations	-	2,500	3,200	700
State Grants				
Law Enforcement Grants	5,000	1,225	1,225	-
Other State Grants	-	33,000	33,284	284
Other Revenues				
American Rescue Funds	-	214,700	214,679	(21)
Park Donations	10,000	6,200	5,551	(649)
Interest	400	65	122	57
Miscellaneous	-	300	469	169
Total Revenues	923,300	1,320,490	1,452,920	132,430

(Continued)

See auditor's report.

Town of Albany, Louisiana

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
General Fund
For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
General Government				
Advertising & Printing	\$ 700	\$ 700	\$ -	\$ 700
Annexation	29,000	-	-	-
Assessor	500	500	526	(26)
Beautification	5,000	14,000	14,034	(34)
Building & Ground Maintenance	10,000	10,000	9,803	197
Building Inspector	-	-	2,800	(2,800)
Capital Outlays, Other	2,500	5,200	5,150	50
Conferences	5,000	5,000	3,960	1,040
Coroner's Fees	400	100	1,440	(1,340)
Dues, Subscriptions, Meetings	3,500	3,000	2,269	731
Hurricane Ida Expenses	-	35,000	34,972	28
Insurance	12,900	18,000	15,356	2,644
Internet	1,600	3,500	6,000	(2,500)
Janitorial Salary & Supplies	6,100	6,000	3,526	2,474
Kitchen Supplies	2,600	2,800	2,313	487
Legal	2,000	2,000	-	2,000
Miscellaneous Expense	1,500	1,500	313	1,187
Office Expenditures	18,000	23,000	23,519	(519)
Official Journal	4,100	1,200	864	336
Payroll Tax Expense	9,065	12,000	11,761	239
Permit Fees	4,800	5,300	-	5,300
Professional Services	36,800	28,400	26,868	1,532
Retirement	1,005	1,100	1,054	46
Salaries, Clerical	66,992	72,600	73,803	(1,203)
Salaries, Mayor & Alderman	63,500	66,000	66,035	(35)
Telephone	1,200	800	697	103
Training	-	-	30	(30)
Uniforms	1,500	1,500	-	1,500
Unemployment	1,200	1,500	1,525	(25)
Utilities	7,300	6,700	7,856	(1,156)
Worker's Compensation	500	700	707	(7)
Total General Government	<u>299,262</u>	<u>328,100</u>	<u>317,181</u>	<u>10,919</u>

(Continued)

See auditor's report.

Town of Albany, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual

General Fund

For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Favorable</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>(Unfavorable)</u>
Public Safety				
Auto Fuel	\$ 22,400	\$ 36,100	\$ 38,455	\$ (2,355)
Auto Repairs	22,500	16,600	15,374	1,226
Capital Outlays	48,000	75,600	69,081	6,519
Conferences	4,000	1,600	1,203	397
Insurance	26,300	30,700	32,120	(1,420)
Other Police Expense	4,400	4,000	4,875	(875)
Office Supplies	-	-	132	(132)
Payroll Taxes	25,000	26,300	26,427	(127)
Post Officer Training	1,000	1,200	150	1,050
Retirement	4,350	3,400	3,366	34
Salaries, Police Department	273,000	320,000	274,906	45,094
Salaries, Overtime	18,000	5,100	4,912	188
Salaries, Supplemental Pay	32,000	30,000	31,967	(1,967)
Salaries, Grant Overtime	5,000	-	-	-
Salaries, Emergency Pay	-	-	46,016	(46,016)
Salaries, Seatbelt Grant	-	-	1,067	(1,067)
Supplies	5,900	6,800	6,125	675
Telephone & Utilities	8,100	7,600	7,712	(112)
Training	-	-	420	(420)
Uniforms	7,900	7,100	6,230	870
Law Enforcement	9,000	10,300	9,234	1,066
Lease Payments	8,300	3,300	3,325	(25)
Witness Fees	300	300	250	50
Workers Compensation	17,000	19,100	20,783	(1,683)
Total Police Department	<u>542,450</u>	<u>605,100</u>	<u>604,130</u>	<u>970</u>
Mayor's Court				
Court Magistrate	3,600	3,200	3,300	(100)
Salary, Court Clerk	1,200	1,200	1,200	-
Total Mayor's Court	<u>4,800</u>	<u>4,400</u>	<u>4,500</u>	<u>(100)</u>
Streets, Drainage, & Sanitation				
Capital Outlays	11,000	32,100	31,209	891
Dump Truck, Streets	800	-	-	-
Emergency Pay	-	-	8,781	(8,781)
Equipment Repairs	2,500	1,500	-	1,500
Insurance	13,000	18,000	18,419	(419)
Materials & Supplies	2,500	2,200	598	1,602
Maintenance- Street	-	-	825	(825)
Other Expenses, Streets	600	600	493	107
Payroll Taxes	5,000	6,300	6,389	(89)

(Continued)

See auditor's report.

Town of Albany, Louisiana

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
General Fund
For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Favorable</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>(Unfavorable)</u>
Retirement	1,100	1,100	1,122	(22)
Salaries	65,000	82,800	74,718	8,082
Sanitation, Collection Expenses	3,600	2,800	3,529	(729)
Street & Drainage Improvements	20,000	22,300	20,832	1,468
Street- Equipment Expense	-	-	48	(48)
Street Lights	23,700	20,300	20,617	(317)
Street Signs	-	-	2,374	(2,374)
Total Streets and Parks	<u>148,800</u>	<u>190,000</u>	<u>189,954</u>	<u>46</u>
Other				
Fire Protection	5,000	5,000	5,000	-
J&N Park Expenses	12,000	5,500	1,081	4,419
Capital Outlay - Park	-	-	4,100	(4,100)
Total Other	<u>17,000</u>	<u>10,500</u>	<u>10,181</u>	<u>319</u>
Total Expenditures	<u>1,012,312</u>	<u>1,138,100</u>	<u>1,125,946</u>	<u>12,154</u>
Net Change in Fund Balance	(89,012)	182,390	326,974	144,584
Fund Balance, Beginning	<u>152,710</u>	<u>325,535</u>	<u>325,535</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 63,698</u>	<u>\$ 507,925</u>	<u>\$ 652,509</u>	<u>\$ 144,584</u>

(Concluded)

See auditor's report.

Other Supplemental Information

Town of Albany, Louisiana

Schedule 2

Combining Schedule of Revenues, Expenses and Changes in Net Position
 Proprietary Fund Type, Utility Departments
 For the Year Ended June 30, 2022

	Water	Sewer	Total
Operating Revenues			
Water Sales	\$ 1,282,082	\$ -	\$ 1,282,082
Sewer Service Charges	-	168,879	168,879
Other	166,683	-	166,683
Total Operating Revenues	<u>1,448,765</u>	<u>168,879</u>	<u>1,617,644</u>
Operating Expenses			
Salaries and Wages	168,412	83,565	251,977
Advertising	492	-	492
Bad Debt	28,104	11,896	40,000
Bank Charges	2,500	-	2,500
Computer	539	-	539
Contract Service	3,700	5,120	8,820
Depreciation	223,257	126,577	349,834
DHH Fees	26,733	-	26,733
Insurance	16,477	2,050	18,527
Payroll Taxes	12,678	6,394	19,072
Postage	11,818	-	11,818
Professional Fees	47,916	5,959	53,875
Repairs and Maintenance	23,548	22,339	45,887
Retirement	2,416	-	2,416
Supplies	92,476	-	92,476
Telephone	1,658	-	1,658
Training	1,929	-	1,929
Uniforms	5,868	-	5,868
Utilities	15,305	42,694	57,999
Vehicle Expenses	32,123	-	32,123
Workers Compensation	7,028	6,223	13,251
Other	653	-	653
Total Operating Expenses	<u>725,630</u>	<u>312,817</u>	<u>1,038,447</u>
Operating Income (Loss)	<u>723,135</u>	<u>(143,938)</u>	<u>579,197</u>
Nonoperating Revenues (Expenses)			
Interest Income	5,450	-	5,450
Bond Interest Expense	(86,439)	(7,005)	(93,444)
Billing Fees	-	7,362	7,362
Total Nonoperating Revenues (Expenses)	<u>(80,989)</u>	<u>357</u>	<u>(80,632)</u>
Income (Loss) Before Contributions and Transfers	<u>642,146</u>	<u>(143,581)</u>	<u>498,565</u>
Transfers and Capital Contributions			
Capital Grants	20,000	1,223,751	1,243,751
Change in Net Position	<u>\$ 662,146</u>	<u>\$ 1,080,170</u>	<u>1,742,316</u>
Total Net Position, Beginning			5,963,652
Prior Period Adjustment			<u>(16,457)</u>
Total Net Position, Beginning - Restated			<u>5,947,195</u>
Total Net Position, Ending			<u>\$ 7,689,511</u>

See auditor's report.

Town of Albany, Louisiana

Schedule 3

Schedule of Revenues, Expenses, and Changes in Net Position
Budget (GAAP Basis) and Actual, Proprietary Fund Type, Water Utility System
For the Year Ended June 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Water Sales	\$ 1,277,900	\$ 1,282,082	\$ 4,182
Other	164,400	166,683	2,283
Total Operating Revenues	<u>1,442,300</u>	<u>1,448,765</u>	<u>6,465</u>
Operating Expenses			
Salaries and Wages	166,600	168,412	(1,812)
Advertising	-	492	(492)
Bad Debt	800	28,104	(27,304)
Bank Charges	-	2,500	(2,500)
Computer Expense	500	539	(39)
Contract Service	4,900	3,700	1,200
Depreciation	247,000	223,257	23,743
DHH Fees	26,700	26,733	(33)
Insurance	13,600	16,477	(2,877)
Payroll Taxes	12,700	12,678	22
Postage	11,900	11,818	82
Professional Fees	54,700	47,916	6,784
Repairs and Maintenance	30,400	23,548	6,852
Retirement	2,500	2,416	84
Supplies	101,100	92,476	8,624
Telephone	1,300	1,658	(358)
Training	1,500	1,929	(429)
Uniforms	5,400	5,868	(468)
Utilities	17,000	15,305	1,695
Vehicle Expenses	27,200	32,123	(4,923)
Workers Compensation	5,100	7,028	(1,928)
Other	800	653	147
Total Operating Expenses	<u>731,700</u>	<u>725,630</u>	<u>6,070</u>
Operating Income (Loss)	<u>710,600</u>	<u>723,135</u>	<u>12,535</u>
Nonoperating Revenues (Expenses)			
Interest Income	1,300	5,450	4,150
Bond Interest Expense	(87,000)	(86,439)	561
Total Nonoperating Revenues (Expenses)	<u>(85,700)</u>	<u>(80,989)</u>	<u>4,711</u>
Income (Loss) Before Contributions and Transfers	624,900	642,146	17,246
Capital Contributions	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Change in Net Position	<u>\$ 644,900</u>	<u>\$ 662,146</u>	<u>\$ 17,246</u>

See auditor's report.

Town of Albany, Louisiana

Schedule 4

Schedule of Revenues, Expenses, and Changes in Net Position
Budget (GAAP Basis) and Actual, Proprietary Fund Type, Sewer Utility System
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues			
Sewer Charges	\$ 158,400	\$ 168,879	\$ 10,479
Total Operating Revenues	<u>158,400</u>	<u>168,879</u>	<u>10,479</u>
Operating Expenses			
Salaries and Wages	82,500	83,565	(1,065)
Bad Debt	800	11,896	(11,096)
Contract Services	3,500	5,120	(1,620)
Depreciation	135,200	126,577	8,623
Insurance	1,900	2,050	(150)
Payroll Taxes	6,300	6,394	(94)
Professional Fees	6,200	5,959	241
Repairs and Maintenance	39,800	22,339	17,461
Supplies	1,400	-	1,400
Training	400	-	400
Utilities	42,400	42,694	(294)
Workers Compensation	4,400	6,223	(1,823)
Total Operating Expenses	<u>324,800</u>	<u>312,817</u>	<u>11,983</u>
Operating Income (Loss)	<u>(166,400)</u>	<u>(143,938)</u>	<u>22,462</u>
Nonoperating Revenues (Expenses)			
Interest Income	100	-	(100)
Billing Fees	6,300	7,362	1,062
Bond Interest Expense	(5,800)	(7,005)	(1,205)
Total Nonoperating Revenues (Expenses)	<u>600</u>	<u>357</u>	<u>(243)</u>
Income (Loss) Before Contributions and Transfers	(165,800)	(143,581)	22,219
Capital Contributions			
Weyerhaeuser Grant	90,000	346,180	256,180
EDA Grant	453,200	740,406	287,206
Other Capital Grants	37,200	137,165	99,965
Total Capital Contributions	<u>580,400</u>	<u>1,223,751</u>	<u>643,351</u>
Change in Net Position	<u>\$ 414,600</u>	<u>\$ 1,080,170</u>	<u>\$ 665,570</u>

See auditor's report.

Town of Albany, Louisiana

Schedule 5

**Schedule of Water and Sewer Rates – Proprietary Fund Type
For the Year Ended June 30, 2022**

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

See auditor's report.

Town of Albany, Louisiana

Schedule 6

**Schedule of Number of Customers – Proprietary Fund Type
For the Year Ended June 30, 2022**

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Water	2,273	114	2,387
Sewer	466	60	526
Total	<u>2,739</u>	<u>174</u>	<u>2,913</u>

See auditor's report.

Town of Albany, Louisiana

Schedule 7

Schedule of Insurance
For the Year Ended June 30, 2022

Insurance Company / Policy Number	Coverage	Amount	Period	
			1/15/2022	to 1/15/2023
Risk Management, Inc. 1004-2019-17015	Commercial General Liability			
	Premises Operations	\$ 500,000		Per Occurrence
	Products- Completed Operations Aggregate Limit	500,000		
	Fire Legal Liability	50,000		Per Occurrence
	Medical Expense Limit (any one person)	Excluded		
	<i>Per Person</i>	1,000		
	<i>Per Accident</i>	10,000		
	Law Enforcement Liability:			
	Personal Injury and Property Damage	500,000		
	Deductible	1,000		
	Errors and Omissions			
	Errors and Omissions	500,000		
	Deductible	1,000		
	Business Auto:			
	Bodily Injury and Property Damage	500,000		
EMC Insurance Company Policy #5A9-87-05---21	Commercial Property:			
	Business Personal Property	3,134,379		
	Electronic Data Processing Equipment	50,000		
	Electronic Data Processing Data & Media	50,000		
	Business Income and Extra Expense	100,000		
	Additional Coverages			
	Debris Removal-additional amount at each described premises	5,000		
	Employee Tools	5,000		
	Pollution Cleanup and Removal-	25,000		
	Rental Reimbursement Limit	5,000		
	Spare Parts and Fuel	5,000		
	Contractor's Equipment - Leased or Rented	25,000		
	Commercial Inland Marine Coverage			
	Items Listed in Policy	282,075		
	Government Crime Coverage			
	Employee Theft-Per Loss Coverage	50,000		
	Forgery or Alteration	25,000		
	Inside the Premises-Theft of Money and Securities	20,000		
	Outside the Premises	10,000		
Selective Insurance FLD 2545022	Flood Insurance - Town Hall			
	Building Coverage	500,000	6/13/2022	to 6/13/2023
	Contents Coverage	100,000		
FLD 2559781	Flood Insurance - Maintenance Building			
	Building Coverage	100,000	6/12/2022	to 6/12/2023
	Contents Coverage	100,000		
Risk Management, Inc. WC-153	Workers' Compensation	Statutory Limits	1/1/2022	to 1/1/2023
CNA Surety Bond 01507681	Fidelity Bond	5,000	10/15/2021	to 10/15/2022
CNA Surety Bond 18143978	Fidelity Bond	200,000	2/13/2022	to 2/13/2023
CNA Surety Bond 01628690	Fidelity Bond	7,220	4/15/2022	to 4/15/2023

See auditor's report.

Town of Albany, Louisiana

Schedule 8

**Schedule of Compensation Paid to Board Members
For the Year Ended June 30, 2022**

Name	Address/Phone Number	Compensation Received
Eileen Bates McCarroll, Mayor	Post Office Box 1 Albany, LA 70711 225-939-7967	\$ 36,035
Kim Stewart, Councilwoman	Post Office Box 1346 Albany, LA 70711 (985) 320-0801	6,000
Ronnie Gregoire, Councilman	Post Office Box 243 Albany, LA 70711 (985) 507-3176	6,000
Jerry Glascock, Councilman	Post Office Box 1183 Albany, LA 70711 (985) 969-4945	6,000
Lloyd Martin, Councilman	Post Office Box 146 Albany, LA 70711 (225) 567-2093	6,000
Gerald Stilley, Councilman	Post Office Box 363 Albany, LA 70711 (225) 567-9723	6,000
		\$ 66,035

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

See auditor's report.

Town of Albany, Louisiana

Schedule 9

Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2022

Agency Head Name: Eileen Bates McCarroll, Mayor

Purpose	Amount
Salary	\$ 33,005
Emergency Pay	1,530
Car Allowance	1,500
Retirement	1,054
Total	\$ 37,089

See auditor's report.

Town of Albany, Louisiana

Schedule 10

**Schedule of Justice System Funding – Collecting / Disbursing Entity
For the Year Ended June 30, 2022**

	<u>First Six Month Period Ended 12/31/2021</u>	<u>Second Six Month Period Ended 6/30/2022</u>
Cash Basis Presentation		
Beginning Balance of Amounts Collected (I.e. cash on hand)	\$ 1,395	\$ -
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	108,889	99,541
Subtotal Collections	<u>108,889</u>	<u>99,541</u>
Less: Disbursements to Governments & Nonprofits:		
State Treasury Disability Affairs	-	-
Treasury State of Louisiana CMIS	520	449
DHH Traumatic Head & Spinal Cord Injury Trust	930	745
Judicial Administration, Supreme Court of LA	278	246
21st JDC Public Defender Office	-	-
Louisiana Commission on Law Enforcement	1,154	1,033
Florida Parishes Juvenile Justice Commission	2,590	2,198
Less: Amount Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Amounts "Self-Disbursed" to Collecting Agency - Other	104,812	94,287
Less: Disbursements to Individual /3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individual (additional detail is not required)	-	-
Other Disbursements to Individual (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	99
Subtotal Disbursements/Retainage	<u>110,284</u>	<u>99,057</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ -</u>	<u>\$ 484</u>

Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained.

See auditor's report.

Town of Albany, Louisiana

Schedule 11

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022**

<u>Federal Grantor, Pass-Through Grantor, Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant or Pass- through Number</u>	<u>Federal Expenditures</u>
United States Department of Homeland Security			
Passed through from the Louisiana Governor's Office of Homeland Security and Emergency Preparedness:			
Disaster Grant - Public Assistance	97.036	N/A	178,669
Total Department of Homeland Security			<u>178,669</u>
United States Department of Commerce			
Economic Adjustment Assistance			
Economic Adjustment Assistance - 2018 Disaster Supplemental	11.307	08-79-05316	740,406
Total United States Department of Commerce			<u>740,406</u>
Total Expenditures of Federal Awards			<u>\$ 919,075</u>

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Albany and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Indirect Cost Rate

The Town did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

See auditor's report.

Other Independent Auditor's Reports and Findings and Recommendations



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Albany, Louisiana as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Town of Albany, Louisiana's basic financial statements, and have issued our report thereon dated December 1, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

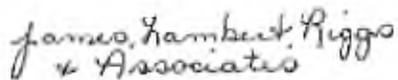
As part of obtaining reasonable assurance about whether the Town of Albany, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Town of Albany, Louisiana

and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

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

December 1, 2022



Independent Auditor's Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Albany, Louisiana's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Albany, Louisiana's major federal programs for the year ended June 30, 2022. The Town of Albany, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Albany, Louisiana, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Albany, Louisiana, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Albany, Louisiana's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Albany, Louisiana's federal programs

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Albany, Louisiana's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Town of Albany, Louisiana's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Albany, Louisiana's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain and understanding of the Town of Albany, Louisiana's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Town of Albany, Louisiana's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

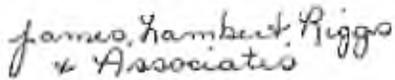
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control

Town of Albany, Louisiana

over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

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

December 1, 2022

Town of Albany, Louisiana

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022**

We have audited the basic financial statements of the Town of Albany, Louisiana as of and for the year ended June 30, 2022, and have issued our report thereon dated December 1, 2022. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the Uniform Guidance.

Section I – Summary of Auditor’s Reports

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

Type of Opinion Issued	<input checked="" type="checkbox"/>	Unmodified	<input type="checkbox"/>	Modified
	<input type="checkbox"/>	Disclaimer	<input type="checkbox"/>	Adverse
Internal Control:				
Material Weakness	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Significant Deficiencies	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Compliance:				
Compliance Material to the Financial Statements	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Was a management letter issued?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No

2. Federal Awards

Type of Opinion on Compliance for Major Programs	<input checked="" type="checkbox"/>	Unmodified	<input type="checkbox"/>	Modified
	<input type="checkbox"/>	Disclaimer	<input type="checkbox"/>	Adverse
Internal Control:				
Material Weakness	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Significant Deficiencies	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Are there findings required to be reported in accordance with the Uniform Guidance?				
	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No

3. Identification of Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program (or Cluster)</u>
11.307	Economic Adjustment Assistance – 2018 Disaster Supplemental

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

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

Town of Albany, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II – Financial Statement Findings

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Section III – Federal Award Findings and Questioned Costs

None

Town of Albany, Louisiana

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021**

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

TOWN OF ALBANY

STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED JUNE 30, 2022

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehrlich, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA



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Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Honorable Eileen Bates-McCarroll, Mayor
Town of Albany
Albany, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Town of Albany's (the "Town") management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are detailed in Schedule "A."

We were engaged by the Town to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

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

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

December 1, 2022

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - **Results:** Per review of the Town's policy, there was no written policy how vendors are added to the vendor list.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d) ***Receipts / Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - e) ***Payroll / Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - **Results:** Per review of the Town's policy, there was no written policy regarding the approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Results:** Per review of the Town's policy, there was no written policy regarding prohibitions defined in Louisiana Revised Statutes, actions to be taken if an ethics violation takes place, and a system to monitor possible ethics violations.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- k) **Information Technology Disaster Recovery / Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing / verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches / updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- **Results:** Per review of the Town's policy, there was no written policy regarding identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- **Results:** Per review of the Town's policy, there was no written policy regarding annual employee training and annual reporting.

Board or Finance Committee

2. Obtain and inspect the board / finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board / finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- **Results:** No exceptions were noted as a result for the above listed procedures.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- **Results:** No exceptions were noted as a result for the above listed procedures.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

- **Results:** No exceptions were noted as a result for the above listed procedures.

- b) Bank reconciliations include evidence that a member of management / board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

- **Results:** No exceptions were noted as a result for the above listed procedures.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Collections (excluding electronic funds transfers)

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers / registers.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) Each employee responsible for collecting cash is not responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and / or subsidiary ledgers, by revenue source and / or agency fund additions, are not responsible for collecting cash, unless another employee / official verifies the reconciliation.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - **Results:** One of the six deposit dates contained a deposit slip that did not match the actual deposit per the bank statement by \$7.50. All other deposits selected were properly reconciled to the underlying collection documentation with no exceptions.

- c) Trace the deposit slip total to the actual deposit per the bank statement.
- **Results:** One of the six deposit dates contained a deposit slip that did not match the actual deposit per the bank statement by \$7.50. All other deposits selected were properly reconciled to the bank statement with no exceptions.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- **Results:** One of the six deposit dates selected did not have evidence that the deposit was made within one business day of receipt at the collection location. All other deposits selected were made within one business day of receipt at the collection location.
- e) Trace the actual deposit per the bank statement to the general ledger.
- **Results:** No exceptions were noted as a result for the above listed procedures.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order / making the purchase.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- b) At least two employees are involved in processing and approving payments to vendors.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- c) The employee responsible for processing payments is prohibited from adding / modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- d) Either the employee / official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
- **Results:** No exceptions were noted as a result for the above listed procedures.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #9, as applicable.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- **Results:** No exceptions were noted as a result for the above listed procedures.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit / debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business / public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- **Results:** No exceptions were noted as a result for the above listed procedures.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms / prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c) Observe each reimbursement is supported by documentation of the business / public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Contracts

15. Obtain from management a listing of all agreements / contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) Observe whether the contract was approved by the governing body / board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

- **Results:** No exceptions were noted as a result for the above listed procedures.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries / pay rates in the personnel files.

- **Results:** No exceptions were noted as a result for the above listed procedures.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and / or contract, the official should document his / her daily attendance and leave.)

- **Results:** No exceptions were noted as a result for the above listed procedures.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

- **Results:** No exceptions were noted as a result for the above listed procedures.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

- **Results:** No exceptions were noted as a result for the above listed procedures.

- d) Observe the rate paid to the employees or officials agree to the authorized salary / pay rate found within the personnel file.

- **Results:** No exceptions were noted as a result for the above listed procedures.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

- **Results:** No exceptions were noted as a result for the above listed procedures.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Ethics

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

a) Observe whether the documentation demonstrates each employee / official completed one hour of ethics training during the fiscal period.

- **Results:** Two of the five randomly selected employees did not take their one hour of ethics training during the fiscal period. These employees, however, did take their one hour of ethics training on February 2, 2021 and August 11, 2022. These dates are outside of the fiscal period of July 1, 2021 to June 30, 2022; however, they are within the calendar years of 2021 and 2022. The other three randomly selected employees took their one hour of ethics training during the fiscal period.

b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Debt Service

21. Obtain a listing of bonds / notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

- **Results:** No exceptions were noted as a result for the above listed procedures.

22. Obtain a listing of bonds / notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond / note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

- **Results:** No exceptions were noted as a result for the above listed procedures.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

- **Results:** No exceptions were noted as a result for the above listed procedures.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Information Technology Disaster Recovery / Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

- **Results:** We performed the procedures and discussed with results with management.

b) Obtain and inspect the entity's most recent documentation that it has tested / verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing / verifying backup restoration) and observe evidence that the test / verification was successfully performed within the past 3 months.

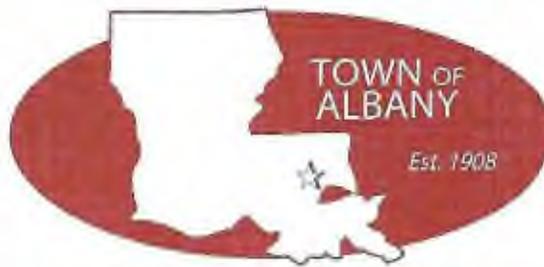
- **Results:** We performed the procedures and discussed with results with management.

c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

- **Results:** We performed the procedures and discussed with results with management.

Sexual Harassment

26. Using the 5 randomly selected employees / officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee / official completed at least one hour of sexual harassment training during the calendar year.
- **Results:** Two of the five randomly selected employees did not take their one hour of sexual harassment training during the fiscal period. These employees, however, did take their one hour of sexual harassment training on February 2, 2021 and August 11, 2022. These dates are outside of the fiscal period of July 1, 2021 to June 30, 2022; however, they are within the calendar years of 2021 and 2022. The other three randomly selected employees took their one hour of sexual harassment training during the fiscal period.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
- **Results:** No exceptions were noted as a result for the above listed procedures.
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
- **Results:** No exceptions were noted as a result for the above listed procedures.
- b) Number of sexual harassment complaints received by the agency;
- **Results:** No exceptions were noted as a result for the above listed procedures.
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- **Results:** No exceptions were noted as a result for the above listed procedures.
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- **Results:** No exceptions were noted as a result for the above listed procedures.
- e) Amount of time it took to resolve each complaint.
- **Results:** No exceptions were noted as a result for the above listed procedures.



- MAYOR -
EILEEN BATES-McCARROLL

- CLERK -
KIMBERLEE "JOEY"
COOPER

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December 09, 2022

James, Lambert, Riggs and Associates, Inc.
401 E Thomas St
Hammond, LA 70401

This letter is in response to the recommendations for the Statewide Agreed Upon Procedures Audit for the Town of Albany for the fiscal year ending June 30, 2022. The Town agrees with all the current year recommendations and will be working to implement all recommendations and to have it completed by June 30, 2023.

Overall, the Town has found the audit process to be very beneficial. We appreciate the auditors' recommendations and plan to take steps to correct all recommendations.

Sincerely,


Eileen Bates-McCarroll
Mayor